

**WARNING - ROUNDING IS DISABLED**

**TOWN OF DRUMHELLER**  
Consolidated Financial Statements  
Year Ended December 31, 2019

# TOWN OF DRUMHELLER

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Year Ended December 31, 2019

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

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

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

The Town's Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the independent auditors' report.

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

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Chief Administrative Officer

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Finance Manager

Drumheller, AB  
October 19, 2020



## INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Town of Drumheller

### *Opinion*

We have audited the consolidated financial statements of Town of Drumheller (the Town), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

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

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

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

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

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

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

Edmonton, Alberta  
October 19, 2020

Chartered Professional Accountants

# TOWN OF DRUMHELLER

## Consolidated Statement of Financial Position

December 31, 2019

### FINANCIAL ASSETS

Cash and cash equivalents (Note 2)	\$ 5,462,817	\$ 4,179,303
Taxes receivable (Note 3)	1,119,575	946,013
Accounts receivable (Note 4)	4,172,622	3,616,919
Accrued interest receivable	94,612	17,380
Inventory held for sale (Note 5)	1,860,514	1,827,324
Investments (Note 6)	27,562,526	25,619,894
	<b>40,272,666</b>	<b>36,206,833</b>

### LIABILITIES

Accounts payable and accrued liabilities	2,680,280	2,607,989
Employee benefit obligation (Note 7)	484,601	564,746
Deferred revenue (Note 8)	11,308,677	10,513,170
Long-term debt (Note 9)	8,521,612	9,190,367
	<b>22,995,170</b>	<b>22,876,272</b>

### NET FINANCIAL ASSETS

**17,277,496**      13,330,561

### NON-FINANCIAL ASSETS

Tangible capital assets (Note 10)	140,495,217	142,201,352
Inventory for consumption	594,652	611,945
Prepaid expenses	290,580	302,222
	<b>141,380,449</b>	<b>143,115,519</b>

### ACCUMULATED SURPLUS (Note 12)

**\$158,657,945**      \$156,446,080

CONTINGENCIES (Note 19)

COMMITMENTS (Note 20)

SUBSEQUENT EVENTS (Note 21)

# TOWN OF DRUMHELLER

## Consolidated Statement of Operations and Accumulated Surplus Year Ended December 31, 2019

	Budget 2019 (Note 22)	2019	2018
<b>REVENUES</b>			
Net municipal taxes (Note 13)	\$ 8,941,710	\$ 8,907,363	\$ 8,750,341
Government transfers for operating (Note 14)	784,813	1,090,867	909,180
Sales and user fees	7,476,580	6,944,110	7,837,542
Franchise and concessions	1,685,000	1,784,107	1,731,291
Investment income	385,000	498,507	488,670
Penalties and costs on taxes	166,000	170,662	167,774
Rentals	344,352	488,349	434,338
Other	888,450	281,873	224,509
	20,671,905	20,165,838	20,543,645
<b>EXPENSES (Note 15)</b>			
Legislative	348,020	333,907	276,890
Administration	1,665,443	1,612,855	1,525,274
Protective services	2,772,790	2,536,648	2,209,069
Transportation services	2,809,105	3,345,598	3,823,164
Water and wastewater	6,079,520	5,231,836	5,260,838
Waste management	415,700	409,178	418,369
Planning and development	1,038,732	803,626	735,008
Recreation and parks	5,368,285	5,045,974	4,824,844
Public health and welfare	437,810	458,644	448,993
	20,935,405	19,778,266	19,522,449
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE CAPITAL REVENUES</b>	(263,500)	387,572	1,021,196
<b>CAPITAL REVENUES</b>			
Government transfers for capital (Note 14)	12,366,420	1,688,903	1,892,719
Other capital	50,800	121,295	70,190
Gain on disposal of tangible capital assets	-	14,095	34,757
	12,417,220	1,824,293	1,997,666
<b>EXCESS OF REVENUES OVER EXPENSES</b>	12,153,720	2,211,865	3,018,862
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	156,446,080	156,446,080	153,427,218
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$168,599,800	\$158,657,945	\$156,446,080

See notes to financial statements

# TOWN OF DRUMHELLER

## Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2019

	Budget 2019 (Note 24)	2019	2018
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 12,153,720	\$ 2,211,865	\$ 3,018,862
Acquisition of tangible capital assets	(18,570,020)	(2,958,207)	(4,642,257)
Amortization of tangible capital assets	-	4,611,525	4,259,030
Gain on sale of tangible capital assets	-	(14,095)	(34,757)
Proceeds on sale of tangible capital assets	120,000	66,912	48,616
	(18,450,020)	1,706,135	(369,368)
Decrease (increase) in prepaid expenses	-	11,642	(12,652)
Decrease in inventory for consumption	-	17,293	55,997
	(18,450,020)	1,735,070	(326,023)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(6,296,300)	3,946,935	2,692,839
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	10,637,722	13,330,561	10,637,722
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 4,341,422	\$ 17,277,496	\$ 13,330,561

See notes to financial statements

# TOWN OF DRUMHELLER

## Consolidated Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 2,211,865	\$ 3,018,862
Items not affecting cash:		
Amortization of tangible capital assets	4,611,525	4,259,030
Gain on disposal of tangible capital assets	(14,095)	(34,757)
	<b>6,809,295</b>	<b>7,243,135</b>
Changes in non-cash working capital:		
Taxes receivable	(173,562)	188,753
Accounts receivable	(555,703)	5,481,727
Accrued interest receivable	(77,232)	46,750
Inventory held for sale	(33,190)	19,975
Accounts payable and accrued liabilities	72,290	(120,191)
Employee benefit obligation	(80,145)	(30,222)
Deferred revenue	795,507	983,501
Inventory for consumption	17,293	55,997
Prepaid expenses	11,642	(12,652)
	<b>(23,100)</b>	<b>6,613,638</b>
	<b>6,786,195</b>	<b>13,856,773</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,958,207)	(4,642,257)
Proceeds on sale of tangible capital assets	66,912	48,616
	<b>(2,891,295)</b>	<b>(4,593,641)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(3,522,028)	(22,128,275)
Proceeds on redemption of investments	1,579,397	6,900,066
	<b>(1,942,631)</b>	<b>(15,228,209)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	-	476,165
Repayment of long-term debt	(668,755)	(891,002)
	<b>(668,755)</b>	<b>(414,837)</b>
<b>(DECREASE) INCREASE IN CASH</b>	<b>1,283,514</b>	<b>(6,379,914)</b>
Cash and cash equivalents - beginning of year	<b>4,179,303</b>	<b>10,559,217</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 5,462,817</b>	<b>\$ 4,179,303</b>

See notes to financial statements

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Reporting entity

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

#### Cash and cash equivalents

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

#### Investments

Investments are recorded at cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a decline in the market value which is other than temporary in nature, the respective investments are written down to market value. During the year, there was no impairment recorded (2018 - \$nil).

#### Inventory held for resale

Inventory held for resale includes land and buildings. Inventory held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function. During the year, there was no impairment recorded (2018 - \$nil).

#### Inventory for consumption

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

#### Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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

#### Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

#### Tangible capital assets

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

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

One-half of the annual amortization is charged in the year of acquisition. Work in process (assets under construction) have a cost of \$2,121,932 (2018 - \$1,326,961) and are not amortized until the asset is available for productive use.

#### 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.

#### 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.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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

#### 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

#### Non-financial assets

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

#### Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

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

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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

#### Revenue recognition

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

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

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

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

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

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

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

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

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

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

#### Recently adopted accounting pronouncements

Effective January 1, 2019, the Town adopted the following accounting standards concurrently as required by the Public Sector Accounting Standards Board.

PS 3430 - Restructuring Transactions: This section provides guidance on the recognition, measurement and presentation on restructuring transactions by both the transferor and recipients of assets and/or liabilities, together with related program or operating responsibilities. The Town adopted PS 3430 prospectively and there were no impacts on the financial statement amounts or disclosures.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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

#### Future accounting pronouncements

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

PS 1201 - Financial Statement Presentation: The implementation of this standard requires a new statement of re-measurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 2601 - Foreign Currency Translation: This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency, and non-monetary items valued at fair value, denominated in a foreign currency, to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 3041 - Portfolio Investments: This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments. Upon adoption of this section and PS 3450, PS 3040 - Portfolio Investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 3450 - Financial Instruments: This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the Town. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 3280 - Asset Retirement Obligations: This section establishes the recognition, measurement, and disclosure requirements for asset retirement obligations. This section requires management to prepare a best estimate of the obligation when there is a legal obligation to incur retirement costs, the transaction giving rise to the liability has occurred and future costs will be incurred. The liability must be reassessed at each financial statement date. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 3400 - Revenue: This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This standard is effective for fiscal years beginning on or after April 1, 2023.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 2. CASH AND CASH EQUIVALENTS

	2019	2018
Current accounts	\$ 4,949,534	\$ 3,995,229
Investment margin accounts	513,283	184,074
	<b>\$ 5,462,817</b>	<b>\$ 4,179,303</b>

At December 31, 2019, the Town had an authorized line of credit available from its bank in the amount of \$2,000,000 bearing interest at bank prime less 0.75%. At year end, no amounts were drawn against its available line of credit.

### 3. TAXES RECEIVABLE

	2019	2018
Current taxes and grants in place	\$ 571,289	\$ 532,024
Non-current taxes and grants in place	972,511	811,689
	<b>1,543,800</b>	<b>1,343,713</b>
Less: allowance for doubtful accounts	(424,225)	(397,700)
	<b>\$ 1,119,575</b>	<b>\$ 946,013</b>

### 4. ACCOUNTS RECEIVABLE

	2019	2018
Trade receivable	\$ 1,358,735	\$ 2,554,155
Government grants receivable	2,876,155	1,125,240
	<b>4,234,890</b>	<b>3,679,395</b>
Less: allowance for doubtful accounts	(62,268)	(62,476)
	<b>\$ 4,172,622</b>	<b>\$ 3,616,919</b>

Included in Trade receivable is \$178,018 (2018 - \$145,951) of goods and service tax receivable.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 5. INVENTORY HELD FOR RESALE

	2019	2018
Land held for resale	\$ 1,860,514	\$ 1,827,324

Land held ready for resale is land in a condition to be sold, marketed for sale, and reasonably anticipated to be sold within a year.

### 6. INVESTMENTS

	2019 Cost	2019 Market value	2018 Cost	2018 Market value
<u>Short-term</u>				
Term deposits	\$ 24,400,726	\$ 24,400,726	\$ 22,035,746	\$ 22,035,746
Fixed income notes	52,925	50,622	123,098	119,342
Principal protected notes	400,000	454,080	-	-
<u>Long-term</u>				
Term deposits	-	-	36,608	36,608
Fixed income notes	2,577,089	2,644,745	2,893,433	2,744,916
Principal protected notes	127,000	144,844	527,000	533,985
Other	4,786	4,786	4,009	4,009
	<b>\$ 27,562,526</b>	<b>\$ 27,699,803</b>	<b>\$ 25,619,894</b>	<b>\$ 25,474,606</b>

Short-term term deposits bear variable interest at 2.50% to 2.75% per annum (2018 - 2.00% to 2.90% per annum) and mature between January and December 2020 (2018 - January and December 2019). Short-term fixed income notes mature June 2020 (2018 - June to July 2019) and bear interest of 4.85% (2018 - 2.944% to 3.750%). Short-term principal protected notes mature April 2020.

Included in investments is a restricted amount of \$9,671,740 (2018 - \$9,330,884) received from various grant programs and held exclusively for approved projects. Included in investments is a restricted amount of \$14,290,902 (2018 - \$10,070,908) to fund specific reserves.

Long-term fixed income notes bear interest at 1.00% to 5.60% (2018 - 1.50% to 9.976% per annum) and mature December 2021 to December 2048 (2018 - June 2019 to July 2108).

Principal protected notes mature September 2022 (2018 - April 2020 to September 2022).

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 7. EMPLOYEE BENEFIT OBLIGATION

	2019	2018
Accrued vacation pay	\$ 264,631	\$ 251,015
Accrued long-term service benefits	219,970	313,731
	<b>\$ 484,601</b>	<b>\$ 564,746</b>

Accrued vacation pay is comprised of the vacation that employees are deferring to future years. Accrued long-term service benefits are calculated per policy at 2 days per year of service over 10 years at the current rate of pay. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

### 8. DEFERRED REVENUE

	Opening Balance	Contributions Received	Revenue Recognized	Ending Balance
MSI grant	\$ 1,554,221	\$ 1,176,796	\$ 792,714	<b>\$ 1,938,303</b>
Gas Tax fund	202,338	901,971	434,000	<b>670,309</b>
Policing grant	90,964	364,200	364,200	<b>90,964</b>
Alberta Community Resilience grant	6,518,453	202,451	442,939	<b>6,277,965</b>
Water for Life	659,074	-	57,046	<b>602,028</b>
Kneehill	825,375	26	75,060	<b>750,341</b>
Other	662,745	328,242	12,220	<b>978,767</b>
	<b>\$ 10,513,170</b>	<b>\$ 2,973,686</b>	<b>\$ 2,178,179</b>	<b>\$ 11,308,677</b>

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

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 9. LONG-TERM DEBT

	2019	2018
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.	\$ 8,124,360	\$ 8,757,168
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.	357,480	375,729
CMHC mortgage payable, bearing interest at 12.50% per annum, with annual blended payments of \$22,313, due 2021.	39,772	57,470
	<b>\$ 8,521,612</b>	<b>\$ 9,190,367</b>

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

	Principal Repayments	Interest Payments	Total
2020	\$ 698,934	\$ 358,489	\$ 1,057,423
2021	725,061	326,912	1,051,973
2022	729,941	294,270	1,024,211
2023	762,170	262,041	1,024,211
2024	795,839	228,372	1,024,211
Thereafter	4,809,667	669,908	5,479,575
	<b>\$ 8,521,612</b>	<b>\$ 2,139,992</b>	<b>\$ 10,661,604</b>

Interest on long-term debt amounted to \$383,870 (2018 - \$409,931).

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 10. TANGIBLE CAPITAL ASSETS

Cost	2018 Balance	Additions	Disposals / Transfers	2019 Balance
Land	\$ 13,416,144	\$ -	\$ -	\$ 13,416,144
Land improvements	3,914,719	66,714	-	3,981,433
Buildings	41,627,342	125,332	-	41,752,674
Equipment	8,785,596	528,324	87,547	9,226,373
Motor vehicles	2,950,553	87,036	-	3,037,589
Engineered structures	166,318,753	1,239,454	(116,376)	167,674,583
Work in progress	1,326,961	911,347	116,376	2,121,932
	<b>\$238,340,068</b>	<b>\$ 2,958,207</b>	<b>87,547</b>	<b>\$241,210,728</b>

Accumulated Amortization	2018 Balance	Amortization	Accumulated Amortization on Disposals	2019 Balance
Land improvements	\$ 3,113,665	\$ 107,400	\$ -	\$ 3,221,065
Buildings	11,106,865	838,084	-	11,944,949
Equipment	4,917,431	226,910	34,730	5,109,611
Motor vehicles	1,985,465	249,469	-	2,234,934
Engineered structures	75,015,290	3,189,662	-	78,204,952
	<b>\$ 96,138,716</b>	<b>\$ 4,611,525</b>	<b>\$ 34,730</b>	<b>\$100,715,511</b>

Net book value	2019	2018
Land	\$ 13,416,144	\$ 13,416,144
Land improvements	760,368	801,054
Buildings	29,807,725	30,520,477
Equipment	4,116,762	3,868,165
Motor vehicles	802,655	965,088
Engineered structures	89,469,631	91,303,463
Work in progress	2,121,932	1,326,961
	<b>\$140,495,217</b>	<b>\$142,201,352</b>

During the year, \$116,376 was transferred from work in progress to engineered structures as work was completed and the asset was made available for productive use.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019	2018
Tangible capital assets (Note 10)	\$ 241,210,728	\$ 238,340,068
Accumulated amortization (Note 10)	(100,715,511)	(96,138,716)
Debenture debt (Note 9)	(8,521,612)	(9,190,367)
	<b>\$ 131,973,605</b>	<b>\$ 133,010,985</b>

### 12. ACCUMULATED SURPLUS

	2019	2018
Equity in tangible capital assets (Note 11)	<b>\$131,973,605</b>	\$133,010,985
Unrestricted surplus	<b>420,798</b>	4,645,239
	<b>132,394,403</b>	137,656,224
Wastewater	<b>4,256,142</b>	3,509,555
Facilities	<b>4,129,731</b>	3,423,939
Equipment	<b>3,510,867</b>	2,680,153
Water	<b>5,187,305</b>	2,442,755
Contingencies	<b>2,622,158</b>	2,382,750
Transportation - long-term	<b>3,144,540</b>	1,938,096
Contingencies - long-term	<b>1,799,317</b>	1,320,500
Offsite levies	<b>425,980</b>	415,348
Storm drain	<b>760,170</b>	353,175
Utility energy savings	<b>387,000</b>	322,500
Sandstone	<b>156,000</b>	126,000
General capital	<b>55,000</b>	55,000
Scholarship	<b>36,600</b>	36,600
Management incentive fund	<b>35,000</b>	35,000
Municipal reserves	<b>12,236</b>	12,236
Land	<b>(254,504)</b>	(263,751)
	<b>26,263,542</b>	18,789,856
	<b>\$158,657,945</b>	<b>\$156,446,080</b>

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

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 13. NET MUNICIPAL TAXES

	Budget 2019 (Note 24)	2019	2018
Real property	\$ 11,741,458	\$ 11,635,077	\$ 11,503,129
Machinery and equipment	34,175	30,653	34,935
Linear property	450,350	439,806	431,270
Special assessments and local improvement taxes	56,000	58,074	62,265
	12,281,983	12,163,610	12,031,599
Requisitions			
Alberta School Foundation Fund	(2,800,000)	(2,719,521)	(2,740,985)
Sunshine Senior's Lodge	(540,273)	(536,726)	(540,273)
	(3,340,273)	(3,256,247)	(3,281,258)
Net municipal taxes	\$ 8,941,710	\$ 8,907,363	\$ 8,750,341

### 14. GOVERNMENT TRANSFERS

	Budget 2019 (Note 24)	2019	2018
Operating			
Federal government	\$ 4,900	\$ 5,860	\$ 5,000
Provincial government	779,913	1,085,007	904,180
	784,813	1,090,867	909,180
Capital			
Federal government	2,121,070	57,046	-
Provincial government	10,245,350	1,631,857	1,892,719
	12,366,420	1,688,903	1,892,719
Total government transfers	\$ 13,151,233	\$ 2,779,770	\$ 2,801,899

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 15. EXPENSES BY OBJECT

	Budget 2019 (Note 24)	2019	2018
Salaries and wages	\$ 6,950,083	\$ 6,427,087	\$ 6,493,305
Contracted and general services	4,262,110	4,000,537	4,244,404
Purchases from other governments	1,319,000	1,335,000	936,883
Materials, goods and utilities	2,991,237	2,426,275	2,527,568
Transfer to local agencies	491,765	509,717	491,094
Transfer to individuals and organizations	-	-	21,000
Bank charges and short-term interest	25,900	26,264	29,095
Interest on long-term debt	406,090	383,870	409,932
Amortization	3,952,695	4,611,525	4,259,030
Other expenses	30,700	57,991	102,575
	\$ 20,429,580	\$ 19,778,266	\$ 19,514,886

### 16. LOCAL AUTHORITIES PENSION PLAN

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

The Town contributes to the Plan at a rate of 10.39% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 14.84% for the excess. Employees contribute to the Plan at a rate of 9.39% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 13.84% for the excess.

Contributions for the year were:

	2019	2018
Employer contributions	\$ 365,411	\$ 413,370
Employee contributions	329,585	376,465
	\$ 694,996	\$ 789,835

As this is a multi-employer pension plan, these contributions comprise the Town's pension benefit expense. No pension liability for this type of plan is included in the Town's financial statements. The most recent valuation as of December 31, 2019 indicates a surplus of \$7,913,261,000 (2018 - surplus of \$3,469,347,000) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 17. SALARIES AND BENEFITS DISCLOSURE

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

	Salary	Benefits and Allowances	2019 Total	2018 Total
Mayor Colberg	\$ 45,980	\$ 7,759	\$ 53,739	\$ 45,956
Councillor Garbutt	24,488	6,056	30,544	50,852
Councillor Hansen-Zacharuk	25,018	6,083	31,101	28,706
Councillor Zariski	23,978	5,555	29,532	28,906
Councillor Makowecki	24,238	6,043	30,281	28,448
Councillor Lacher	25,278	2,058	27,336	23,446
Councillor DeMott	25,018	3,641	28,658	26,737
Chief Administrative Officer Drohmerski (CAO)	171,059	48,390	219,449	204,134

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.

### 18. DEBENTURE DEBT LIMITS

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

	2019	2018
Total debt limit	\$ 30,248,757	\$ 30,815,468
Total debt	(8,521,612)	(9,190,367)
	21,727,145	21,625,101
Debt servicing limit	5,041,460	5,135,911
Debt servicing	(1,023,679)	(1,294,786)
Amount of debt servicing limit unused	4,017,781	3,841,125

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.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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### 19. CONTINGENCIES

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

### 20. COMMITMENTS

The Town has ongoing capital projects that were not completed during the year. The estimated costs to the Town are \$14,432,815 for projects that will continue through 2019. These projects are to be funded by \$2,025,100 from reserves, \$9,019,290 from provincial grant funding, \$1,630,025 from federal grant funding, and \$1,758,400 from debt financing.

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

The Town has an agreement to obtain physical supply for natural gas expiring September 30th, 2022 at a fixed rate of \$2.50/GJ up to a maximum of 34,603 GJs/year. The Town has a partial-hedge product in place for natural gas whereby 70% of the Town's weather-normalized historical volumes (34,603 GJs previously mentioned) were purchased at the fixed price of \$2.50/GJ. The remaining 30% of the volumes is floating on the monthly average AECO Spot price for natural gas (2020 YTD ~\$2.00/GJ).

### 21. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

- i) On March 11, 2020 the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. In Canada, the Government of Alberta declared a provincial state of public health emergency as per the Province of Alberta's Public Health Act on March 17, 2020 with respect to COVID-19. As of the date of these financial statements, the extent to which COVID-19 impacts the Town's results will depend on future developments, which are highly uncertain and cannot be predicted and dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain its impact.
- ii) Subsequent to year end, the Town executed funding agreements with the Government of Canada (\$22M) and Government of Alberta (\$28M) for flood mitigation. The 5-year, \$55M capital project includes \$5M commitment from the Town to be funded through a debenture over the next 3 years. Real property acquired through the flood mitigation project will be held by the Drumheller Land Company, a Corporation of the Town.

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### 22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

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### 23. SEGMENTED INFORMATION

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

#### **Protective Services**

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

#### **Transportation Services**

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

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

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

#### **Waste Management Services**

Waste management provides collection, disposal and recycling programs.

#### **Planning and Development**

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

#### **Recreation and Parks**

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

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

This service area provides and administers community support programs.

#### **General Government**

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

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

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2019

### 24. BUDGET

The reported budget information has been derived from the tax supported operating budget approved by Council on March 18, 2019, the utilities supported operating budget approved by Council on January 21, 2019, and the capital budget approved by Council on April 15, 2019. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2019
Revenues per tax supported operating budget	\$ 14,855,885
Revenues per utilities supported operating budget	5,816,020
	20,671,905
Expenses per tax supported operating budget	(14,855,885)
Expenses per utilities supported operating budget	(6,079,520)
	(20,935,405)
Revenues per capital approved budget	12,712,220
Less transfers drawn from capital reserve	(295,000)
	12,417,220
Excess of revenues over expenses	\$ 12,153,720

# TOWN OF DRUMHELLER

Consolidated Segmented Information

(Schedule 1)

Year Ended December 31, 2019

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2019
<b>REVENUES</b>									
Net municipal taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,907,363	\$ 8,907,363
Government transfers for operating	412,655	-	-	-	108,474	26,774	284,317	258,647	1,090,867
Government transfers for capital	586,057	914,000	57,046	-	-	131,800	-	-	1,688,903
Sales and user fees	414,532	34,716	5,498,726	112,393	61,611	612,422	52,456	157,254	6,944,110
Franchise and concessions	-	-	-	-	-	-	-	1,784,107	1,784,107
Investment income	-	-	-	-	28,547	-	-	469,960	498,507
Penalties and costs on taxes	-	-	21,043	-	-	-	-	149,619	170,662
Rentals	-	3,000	-	-	48,427	435,722	-	1,200	488,349
Other	17,249	68,518	96,227	18	79,515	81,962	10,933	48,746	403,168
Gain on disposal of tangible capital assets	-	-	12,095	-	-	2,000	-	-	14,095
	1,430,493	1,020,234	5,685,137	112,411	326,574	1,290,680	347,706	11,776,896	21,990,131

(continues)

# TOWN OF DRUMHELLER

Consolidated Segmented Information *(continued)*

(Schedule 1)

Year Ended December 31, 2019

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2019
<b>EXPENSES (BY OBJECT)</b>									
Salaries and wages	748,962	858,878	1,272,981	26,021	124,474	2,128,409	289,468	977,894	<b>6,427,087</b>
Contracted and general services	281,609	366,616	801,253	383,157	248,104	1,113,848	134,264	671,686	<b>4,000,537</b>
Amortization	84,329	1,416,688	2,157,050	-	103,900	724,156	2,099	123,303	<b>4,611,525</b>
Purchases from other governments	1,335,000	-	-	-	-	-	-	-	<b>1,335,000</b>
Materials, goods and utilities	86,881	701,557	786,529	-	85,629	652,386	10,502	102,791	<b>2,426,275</b>
Transfer to local agencies	1,346	-	-	-	238,282	246,089	24,000	-	<b>509,717</b>
Interest and bank charges	-	1,260	712	-	44	11,581	27	12,640	<b>26,264</b>
Interest on long term debt	-	-	212,122	-	3,194	168,554	-	-	<b>383,870</b>
Operating expense #3	(1,479)	600	1,190	-	-	950	(1,716)	58,446	<b>57,991</b>
	<b>2,536,648</b>	<b>3,345,599</b>	<b>5,231,837</b>	<b>409,178</b>	<b>803,627</b>	<b>5,045,973</b>	<b>458,644</b>	<b>1,946,760</b>	<b>19,778,266</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ (1,106,155)</b>	<b>\$ (2,325,365)</b>	<b>453,300</b>	<b>\$ (296,767)</b>	<b>\$ (477,053)</b>	<b>\$ (3,755,293)</b>	<b>\$ (110,938)</b>	<b>9,830,136</b>	<b>\$ 2,211,865</b>

See notes to financial statements

# TOWN OF DRUMHELLER

Consolidated Segmented Information

(Schedule 2)

Year Ended December 31, 2018

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

(continues)

See notes to financial statements

# TOWN OF DRUMHELLER

Consolidated Segmented Information (continued)

(Schedule 2)

Year Ended December 31, 2018

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2018
<b>EXPENSES (BY OBJECT)</b>									
Salaries and wages	774,445	891,042	1,412,636	29,680	111,943	2,100,634	325,241	847,683	6,493,304
Contracted and general services	324,428	970,664	663,495	388,690	201,639	1,031,716	79,019	584,755	4,244,406
Amortization	91,496	1,276,384	2,081,617	-	103,516	563,833	2,111	140,073	4,259,030
Purchases from other governments	936,883	-	-	-	-	-	-	-	936,883
Materials, goods and utilities	74,238	684,079	880,104	-	79,455	692,451	17,590	99,650	2,527,567
Transfer to local agencies	5,132	-	-	-	219,888	242,074	24,000	-	491,094
Interest and bank charges	-	1,045	-	-	-	12,662	-	15,388	29,095
Interest on long term debt	-	-	221,281	-	8,567	180,084	-	-	409,932
Operating expense #3	2,598	(50)	1,705	-	10,000	1,390	1,031	93,464	110,138
Operating expense #4	-	-	-	-	-	-	-	21,000	21,000
	2,209,220	3,823,164	5,260,838	418,370	735,008	4,824,844	448,992	1,802,013	19,522,449
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ (1,286,343)\$	(1,225,691)\$	537,649 \$	(328,120)\$	(516,345)\$	(3,656,069)\$	(103,173)\$	9,596,954 \$	3,018,862

See notes to financial statements