

VILLAGE OF GLENDON

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian 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 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 consolidated financial statements present fairly, in all material respects, the financial position of the Village of Glendon as at December 31, 2017, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.


ST. PAUL, ALBERTA
February 21, 2017

JMD Group LLP
CHARTERED ACCOUNTANTS

**VILLAGE OF GLENDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
Financial assets		
Cash	\$ 736,932	\$ 874,852
Temporary investments and savings accounts	1,059,345	968,043
Taxes receivable (note 2)	59,717	64,485
Receivable from other governments	9,862	60,689
Trade and other receivables	13,422	29,110
Loan receivable (note 3)	125,000	--
Long-term investments (note 4)	<u>3,180</u>	<u>3,165</u>
	<u>2,007,458</u>	<u>2,000,344</u>
Liabilities		
Accounts payable and accrued liabilities	42,116	31,760
Wages and benefits payable (note 5)	26,597	18,683
Deferred revenue (note 6)	<u>2,734</u>	<u>21,942</u>
	<u>71,447</u>	<u>72,385</u>
Net Financial assets	<u>1,936,011</u>	<u>1,927,959</u>
Non-financial assets		
Tangible capital assets	5,390,981	5,332,991
Prepaid expenses	<u>54,504</u>	<u>52,088</u>
	<u>5,445,485</u>	<u>5,385,079</u>
Accumulated surplus (note 7)	<u>\$ 7,381,496</u>	<u>\$ 7,313,038</u>

Approved by:



Mayor

**VILLAGE OF GLENDON
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u> (unaudited)	<u>2017</u>	<u>2016</u>
Revenues			
Net municipal taxes (schedule 3)	\$ 414,069	\$ 413,273	\$ 417,121
Sales and user fees	195,600	181,935	198,302
Government transfers for operating (schedule 4)	259,839	291,674	280,865
Investment income	10,000	25,271	19,812
Penalties and costs of taxes	22,000	24,657	29,994
Licenses and permits	4,250	3,862	5,367
Franchise and concession contracts	15,750	17,168	15,756
Rentals and leases	8,400	8,670	8,020
Other	<u>4,000</u>	<u>4,149</u>	<u>2,845</u>
	<u>933,908</u>	<u>970,659</u>	<u>978,082</u>
Expenses			
Legislative	29,700	22,102	16,526
Administration	246,279	207,454	213,001
Protective services	18,558	18,679	20,828
Roads, streets, walks, lighting	318,300	283,319	278,168
Water supply	215,460	191,752	229,782
Wastewater treatment and disposal	110,936	87,177	104,492
Waste management	70,457	55,390	60,863
Family and community support services	17,545	15,831	14,987
Parks and recreation	<u>104,885</u>	<u>131,666</u>	<u>84,773</u>
	<u>1,132,120</u>	<u>1,013,370</u>	<u>1,023,420</u>
Deficiency of revenues over expenses before other	(198,212)	(42,711)	(45,338)
Other			
Loss on disposal of tangible capital assets	--	(3,424)	--
Government transfers for capital (schedule 4)	<u>758,928</u>	<u>114,593</u>	<u>416,032</u>
Excess of revenues over expenses	560,716	68,458	370,694
Accumulated surplus, beginning of year	<u>7,313,038</u>	<u>7,313,038</u>	<u>6,942,344</u>
Accumulated surplus, end of year	\$ <u>7,873,754</u>	\$ <u>7,381,496</u>	\$ <u>7,313,038</u>

**VILLAGE OF GLENDON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget (unaudited)	<u>2017</u>	<u>2016</u>
Excess of revenues over expenses	\$ <u>560,716</u>	\$ <u>68,458</u>	\$ <u>370,694</u>
Acquisition of tangible capital assets	(791,984)	(330,817)	(449,753)
Loss on disposal of tangible capital assets	--	3,424	--
Amortization of tangible capital assets	<u>248,000</u>	<u>269,403</u>	<u>249,042</u>
	<u>(543,984)</u>	<u>(57,990)</u>	<u>(200,711)</u>
Acquisition of prepaid assets	(52,088)	(54,504)	(52,088)
Use of prepaid assets	<u>52,088</u>	<u>52,088</u>	<u>52,297</u>
	<u>--</u>	<u>(2,416)</u>	<u>209</u>
Increase in net financial assets	16,732	8,052	170,192
Net financial assets, beginning of year	<u>1,927,959</u>	<u>1,927,959</u>	<u>1,757,767</u>
Net financial assets, end of year	\$ <u>1,944,691</u>	\$ <u>1,936,011</u>	\$ <u>1,927,959</u>

VILLAGE OF GLENDON
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenues over expenses	\$ 68,458	\$ 370,694
Non-cash items included		
Amortization of tangible capital assets	269,403	249,042
Loss on disposal of tangible capital assets	3,424	--
Non-cash charges to operations (net change):		
Decrease (increase) in		
Taxes receivable	4,768	(1,021)
Receivable from other governments	50,827	212,373
Trade and other receivables	15,688	(11,110)
Loan receivable	(125,000)	--
Prepaid expenses	(2,416)	209
Increase (decrease) in		
Accounts payable and accrued liabilities	10,356	6,658
Wages and benefits payable	7,914	1,085
Tax sale surplus	--	(1,083)
Deferred revenue	<u>(19,208)</u>	<u>20,322</u>
Net cash from operations	<u>284,214</u>	<u>847,169</u>
Investing		
Long-term investments acquired	<u>(15)</u>	<u>(15)</u>
Capital		
Acquisition of tangible capital assets	<u>(330,817)</u>	<u>(449,753)</u>
Change in cash and cash equivalents during the year	(46,618)	397,401
Cash and cash equivalents, beginning of year	<u>1,842,895</u>	<u>1,445,494</u>
Cash and cash equivalents, end of year	<u>\$ 1,796,277</u>	<u>\$ 1,842,895</u>
Cash and cash equivalents consist of:		
Cash	\$ 736,932	\$ 874,852
Temporary investments and savings accounts	<u>1,059,345</u>	<u>968,043</u>
	<u>\$ 1,796,277</u>	<u>\$ 1,842,895</u>

**VILLAGE OF GLENDON
SCHEDULE 1 – CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2017	2016
Balance, beginning of year	\$ <u>1,709,608</u>	\$ <u>270,439</u>	\$ <u>5,332,991</u>	\$ <u>7,313,038</u>	\$ <u>6,942,344</u>
Excess of revenues over expenses	68,458	--	--	68,458	370,694
Current year funds used for tangible capital assets	(330,817)	--	330,817	--	--
Net book value of tangible capital asset disposals	3,424	--	(3,424)	--	--
Annual amortization expense	<u>269,403</u>	<u> </u>	<u>(269,403)</u>	<u> </u>	<u> </u>
Change in accumulated surplus	<u>10,468</u>	<u> </u>	<u>57,990</u>	<u>68,458</u>	<u>370,694</u>
Balance, end of year	\$ <u>1,720,076</u>	\$ <u>270,439</u>	\$ <u>5,390,981</u>	\$ <u>7,381,496</u>	\$ <u>7,313,038</u>

**VILLAGE OF GLENDON
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>2017</u>	<u>2016</u>
Cost								
Balance, beginning of year	\$ 258,122	\$ 436,444	\$ 1,022,696	\$ 6,733,413	\$ 311,452	\$ 307,566	\$ 9,069,693	\$ 8,619,940
Acquisition of tangible capital assets	--	467	115,765	83,394	123,066	8,125	330,817	449,753
Disposal of tangible capital assets	--	--	(3,400)	--	(2,200)	--	(5,600)	--
Balance, end of year	<u>258,122</u>	<u>436,911</u>	<u>1,135,061</u>	<u>6,816,807</u>	<u>432,318</u>	<u>315,691</u>	<u>9,394,910</u>	<u>9,069,693</u>
Accumulated amortization								
Balance, beginning of year	--	65,266	702,954	2,633,304	86,012	249,166	3,736,702	3,487,660
Annual amortization	--	16,852	21,338	188,988	24,545	17,680	269,403	249,042
Accumulated amortization on disposals	--	--	(2,176)	--	--	--	(2,176)	--
Balance, end of year	<u>--</u>	<u>82,118</u>	<u>722,116</u>	<u>2,822,292</u>	<u>110,557</u>	<u>266,846</u>	<u>4,003,929</u>	<u>3,736,702</u>
Net book value of tangible capital assets	<u>\$ 258,122</u>	<u>\$ 354,793</u>	<u>\$ 412,945</u>	<u>\$ 3,994,515</u>	<u>\$ 321,761</u>	<u>\$ 48,845</u>	<u>\$ 5,390,981</u>	<u>\$ 5,332,991</u>
2016 Net book value of tangible capital assets	<u>\$ 258,122</u>	<u>\$ 371,178</u>	<u>\$ 319,742</u>	<u>\$ 4,100,109</u>	<u>\$ 225,440</u>	<u>\$ 58,400</u>	<u>\$ 5,332,991</u>	

**VILLAGE OF GLENDON
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget (unaudited)	<u>2017</u>	<u>2016</u>
Taxation			
Residential land and improvements	\$ 412,565	\$ 412,114	\$ 411,399
Non-residential land and improvements	95,500	95,213	95,533
Linear property	34,500	34,442	35,678
Farm land	<u>248</u>	<u>248</u>	<u>246</u>
	<u>542,813</u>	<u>542,017</u>	<u>542,856</u>
Requisitions			
Alberta School Foundation	125,073	125,073	123,246
Lakeland Lodge and Housing Foundation	<u>3,671</u>	<u>3,671</u>	<u>2,489</u>
	<u>128,744</u>	<u>128,744</u>	<u>125,735</u>
Net taxes for general municipal operations	\$ <u>414,069</u>	\$ <u>413,273</u>	\$ <u>417,121</u>

SCHEDULE 4 - GOVERNMENT TRANSFERS

Transfers for operations			
Provincial	\$ 49,839	\$ 53,868	\$ 56,029
Local governments	<u>210,000</u>	<u>237,806</u>	<u>224,836</u>
	<u>259,839</u>	<u>291,674</u>	<u>280,865</u>
Transfers for capital			
Federal	50,000	--	--
Provincial	384,478	114,593	416,032
Local governments	<u>324,450</u>	<u>--</u>	<u>--</u>
	<u>758,928</u>	<u>114,593</u>	<u>416,032</u>
Total government transfers	\$ <u>1,018,767</u>	\$ <u>406,267</u>	\$ <u>696,897</u>

SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT

Expenses			
Salaries, wages and benefits	\$ 321,607	\$ 311,216	\$ 280,835
Contracted and general services	349,510	255,224	315,938
Materials, goods, supplies and utilities	183,200	133,640	149,483
Provision for allowances	--	--	10,000
Transfers to local boards and agencies	1,458	1,479	3,958
Transfers to individuals and organizations	26,045	40,248	11,910
Bank charges and short term interest	900	735	779
Other expenses	1,400	1,425	1,475
Amortization	<u>248,000</u>	<u>269,403</u>	<u>249,042</u>
Total expenses	\$ <u>1,132,120</u>	\$ <u>1,013,370</u>	\$ <u>1,023,420</u>

VILLAGE OF GLENDON
SCHEDULE 6 – SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General Government</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Recreation and Culture</u>	<u>Other</u>	<u>Total</u>
Revenues							
Net municipal taxes	\$ 413,273	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 413,273
Sales and user fees	1,781	--	1,904	175,937	2,313	--	181,935
Government transfers for operating	1,666	16,800	188,334	59,003	11,835	14,036	291,674
Investment income	25,271	--	--	--	--	--	25,271
Other operating revenues	53,035	--	--	--	5,201	270	58,506
Government transfers for capital	<u>52,694</u>	<u>--</u>	<u>50,756</u>	<u>11,143</u>	<u>--</u>	<u>--</u>	<u>114,593</u>
	<u>547,720</u>	<u>16,800</u>	<u>240,994</u>	<u>246,083</u>	<u>19,349</u>	<u>14,306</u>	<u>1,085,252</u>
Expenses							
Salaries, wages and benefits	123,185	--	83,898	96,037	8,096	--	311,216
Contracted and general services	81,240	17,200	36,456	67,946	44,402	7,980	255,224
Materials, goods, supplies and utilities	16,728	--	47,970	54,672	6,919	7,351	133,640
Transfers to others	--	1,479	--	--	39,748	500	41,727
Other expenses	<u>2,935</u>	<u>--</u>	<u>--</u>	<u>1,425</u>	<u>1,224</u>	<u>--</u>	<u>5,584</u>
	<u>224,088</u>	<u>18,679</u>	<u>168,324</u>	<u>220,080</u>	<u>100,389</u>	<u>15,831</u>	<u>747,391</u>
Net revenue before amortization	323,632	(1,879)	72,670	26,003	(81,040)	(1,525)	337,861
Amortization expense	<u>(7,668)</u>	<u>--</u>	<u>(114,995)</u>	<u>(114,239)</u>	<u>(32,501)</u>	<u>--</u>	<u>(269,403)</u>
Net revenue	<u>\$ 315,964</u>	<u>\$ (1,879)</u>	<u>\$ (42,325)</u>	<u>\$ (88,236)</u>	<u>\$ (113,541)</u>	<u>\$ (1,525)</u>	<u>\$ 68,458</u>

VILLAGE OF GLENDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. Significant Accounting Policies

The consolidated financial statements of the Village of Glendon 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 Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the village are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the village and are, therefore, accountable to the village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

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

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(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 revenues and expenses 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.

VILLAGE OF GLENDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. Significant Accounting Policies - continued

(d) Cash

Cash is defined as petty cash, cash and cash in chequing accounts adjusted for outstanding cheques and deposits.

(e) Investments

Investments consist of cash in savings accounts with 30 – 90 day withdrawal notice requirements. Investments are recorded at amortized cost.

(f) Requisition 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.

(g) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(h) 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.

(i) 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 for the year.

**VILLAGE OF GLENDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. Significant Accounting Policies – continued

(i) Non-Financial Assets - continued

(i) 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 costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Years</u>
Buildings	50
Engineered structures	
Roadway system	20-30
Water system	45-75
Wastewater system	45-75
Machinery and equipment	10-25
Vehicles	10
Land improvements	25-40

No amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of Tangible Capital Assets

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

(j) Contaminated Sites Liability

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.

	<u>2017</u>	<u>2016</u>
2. Taxes Receivable		
Current	\$ 44,704	\$ 43,818
Arrears	58,013	63,667
Allowance	(43,000)	(43,000)
	<u>\$ 59,717</u>	<u>\$ 64,485</u>

3. Loan Receivable

Non-interest bearing loan provided to the Glendon Agricultural Society. Repayable in quarterly instalments of \$3,125 (\$12,500 annually) commencing January 1, 2018.

VILLAGE OF GLENDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

8. 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 Glendon be disclosed as follows:

	<u>2017</u>	<u>2016</u>
Total debt limit	\$ 1,455,987	\$ 1,467,123
Total debt	<u> --</u>	<u> --</u>
Debt limit remaining	\$ <u>1,455,987</u>	\$ <u>1,467,123</u>
Debt servicing limit	\$ 242,664	\$ 244,520
Debt servicing	<u> --</u>	<u> --</u>
Debt servicing limit remaining	\$ <u>242,664</u>	\$ <u>244,520</u>

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

9. Local Authorities Pension Plan

Employees of the village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 245,000 people and 426 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 expenditures 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 salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by the village to the LAPP in 2017 were \$26,727 (2016 - \$28,285). Total current service contributions by the employees of the village to the LAPP in 2017 were \$24,586 (2016 - \$23,851).

At December 31, 2015, the LAPP disclosed an actuarial deficiency of \$923 million.

VILLAGE OF GLENDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

10. Segmented Disclosure

The Village of Glendon provides a range of services to its ratepayers. 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.

Refer to Schedule 6 – Segmented Disclosure.

11. Salary And Benefits Disclosure

Disclosure of salaries and benefits for municipal officials and the chief administrative officer as required by Alberta Regulation 313/2000 is as follows:

	2017			2016
	Salary (1)	Benefits & Allow. (2)	Total	Total
Council				
Laura Papirny	\$ 6,015	\$ --	\$ 6,015	\$ 3,080
Nancy Pelletier	6,035	--	6,035	4,180
Scott Lundgren	2,755	--	2,755	--
Rick Stieben	2,545	--	2,545	1,870
CAO				
Melody Kwiatkowski	79,567	17,238	96,805	81,802

(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, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

12. Operating Line of Credit

The village has a prime plus 1% authorized operating line of credit of \$400,000 with the Alberta Treasury Branch. No balance was outstanding as at December 31, 2017.

13. Contaminated Sites Liability

The village has adopted PS3260 Liability for Contaminated Sites. The village did not identify any financial liabilities in 2017 (2016 – nil) as a result of this standard.

VILLAGE OF GLENDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

14. Financial Instruments

The village's financial instruments consist of cash and temporary investments, receivables, long-term investments and accounts payable and accrued liabilities. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

15. Approval of Financial Statements

Council has approved these financial statements.

16. Budget Amounts

Budget amounts are included for information purposes only and are not audited.

17. Recent Accounting Pronouncements Published But Not Yet Adopted

(a) PSAB Section 1201, Financial Statement Presentation

Revised standard is effective in 2019, when Sections PS2601 and PS 3450 are adopted.

(b) PSAB Section 2601, Foreign Currency Transactions

PS2601 establishes standards on how to account for and report transactions that are denominated in foreign currency in government financial statements and is effective in 2019.

(c) PSAB Section 3041, Portfolio Investments

This standard is effective for the 2019 fiscal year and addresses the distinction between temporary and portfolio investments.

(d) PSAB Section 3280, Asset Retirement Obligations

This standard is intended to provide guidance on accounting for asset retirement obligations and will apply in years beginning on or after April 1, 2021.

(e) PSAB Section 3450, Financial Instruments

PS3450 establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments, effective for the 2019 fiscal year.