

VILLAGE OF BAWLF

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Bawlf:

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Village of Bawlf, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, change 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Bawlf 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.

A handwritten signature in black ink, appearing to read "Brian King", written over a horizontal line.

Brian King Professional Corporation
Chartered Professional Accountant

M.D. of Wainwright
May 16, 2018

VILLAGE OF BAWLF

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash (Note 2)	397,832	879,184
Term deposits (Note 2)	313,486	286,621
Taxes and grants in place of taxes (Note 3)	63,088	48,296
Trade and other receivables	20,268	22,562
Due from other governments	451,342	272,346
Inventory held for resale	180,000	23,406
Other financial assets	1,012	1,012
	<u>1,427,028</u>	<u>1,533,427</u>
LIABILITIES		
Accounts payable and accrued liabilities	94,181	113,487
Deposits held in trust	1,600	1,800
Deferred revenue (Note 4)	732,862	812,681
	<u>828,643</u>	<u>927,968</u>
NET FINANCIAL ASSETS	<u>598,385</u>	<u>605,459</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>4,386,545</u>	<u>4,255,196</u>
ACCUMULATED SURPLUS (NOTE 7)	<u>4,984,930</u>	<u>4,860,655</u>

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget (unaudited)	2017	2016
REVENUE			
Net municipal property taxes (Schedule 3)	271,590	269,497	252,175
User fees and sales of goods	199,250	248,933	193,930
Penalties and costs on taxes	14,700	14,514	12,638
Licenses and permits	(2,500)	3,901	3,120
Fines	-	822	859
Franchise and concession contracts	11,000	12,349	11,308
Investment income	500	2,192	2,478
Government transfers for operating	71,931	78,322	78,848
Other	-	19,650	2,680
	<u>566,471</u>	<u>650,180</u>	<u>558,036</u>
EXPENSES			
Legislative	9,650	11,478	8,599
Administration	229,429	174,471	162,871
Protective services	60,880	54,747	50,492
Transportation	126,800	152,209	191,574
Water supply and distribution	86,480	128,608	95,802
Wastewater treatment and disposal	69,735	86,238	58,087
Waste management	28,900	30,473	29,540
Public health and welfare	2,790	3,089	2,836
Planning and development	1,507	29,531	1,207
Recreation	13,600	15,457	8,049
Culture	4,600	7,308	10,364
Amortization	-	146,635	140,031
Loss (gain) on disposal of assets	-	-	(20,831)
	<u>634,371</u>	<u>840,244</u>	<u>738,621</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(67,900)	(190,064)	(180,585)
OTHER			
Government transfers for capital (Schedule 4)	-	314,339	481,678
EXCESS OF REVENUE OVER EXPENSES	(67,900)	124,275	301,093
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,860,655	4,860,655	4,559,562
ACCUMULATED SURPLUS, END OF YEAR	<u>4,792,755</u>	<u>4,984,930</u>	<u>4,860,655</u>

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CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget (unaudited)	2017	2016
EXCESS OF REVENUE OVER EXPENSES	<u>(67,900)</u>	<u>124,275</u>	<u>301,093</u>
Acquisition of tangible capital assets	-	(277,984)	(529,199)
Proceeds on disposal of tangible capital assets	-	-	23,110
Amortization of tangible capital assets	-	146,635	140,031
Loss on sale of tangible capital assets	<u>-</u>	<u>-</u>	<u>(20,831)</u>
	<u>-</u>	<u>(131,349)</u>	<u>(386,889)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(67,900)	(7,074)	(85,796)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>605,459</u>	<u>605,459</u>	<u>691,255</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>537,559</u></u>	<u><u>598,385</u></u>	<u><u>605,459</u></u>

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CONSOLIDATED STATEMENT OF CASH FLOWS 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	124,275	301,093
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	146,635	140,031
Loss on disposal of tangible capital assets	-	(20,831)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(14,792)	(11,710)
Decrease (increase) in due from other governments	(178,996)	(204,680)
Decrease (increase) in trade and other receivables	2,294	5,396
Decrease (increase) in inventory held for resale	(156,594)	-
Decrease (increase) in note receivable	-	6,250
Increase (decrease) in accounts payable and accrued liabilities	(19,306)	56,771
Increase (decrease) in deposits held in trust	(200)	(400)
Increase (decrease) in deferred revenue	(79,819)	(248,240)
	<u>(176,503)</u>	<u>23,680</u>
CAPITAL		
Acquisition of tangible capital assets	(277,984)	(529,199)
Sale of tangible capital assets	-	23,110
	<u>(277,984)</u>	<u>(506,089)</u>
INVESTING		
Decrease (increase) in term deposits	<u>(26,865)</u>	<u>(2,047)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(481,352)	(484,456)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>879,184</u>	<u>1,363,640</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>397,832</u></u>	<u><u>879,184</u></u>

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SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2017 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2017	2016
BALANCE, BEGINNING OF YEAR	394,476	210,983	4,255,196	4,860,655	4,559,562
Excess (deficiency) of revenues over expenses	124,275	-	-	124,275	301,093
Current year funds used for tangible capital assets	(277,984)	-	277,984	-	-
Annual amortization expense	146,635	-	(146,635)	-	-
Change in accumulated surplus	(7,074)	-	131,349	124,275	301,093
BALANCE, END OF YEAR	387,402	210,983	4,386,545	4,984,930	4,860,655

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017 (Schedule 2)

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2017	2016
COST:								
Balance - beginning of year	40,745	5	1,485,909	5,833,544	249,372	105,099	7,714,674	7,191,204
Acquisition of tangible capital assets	-	-	224,453	53,531	-	-	277,984	529,199
Disposal of tangible capital assets	-	-	-	-	-	-	-	5,729
Balance - end of year	40,745	5	1,710,362	5,887,075	249,372	105,099	7,992,658	7,714,674
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	5	499,550	2,710,974	215,288	33,661	3,459,478	3,322,897
Annual amortization	-	-	31,962	100,638	7,001	7,034	146,635	140,031
Accumulated amortization on disposals	-	-	-	-	-	-	-	3,450
Balance - end of year	-	5	531,512	2,811,612	222,289	40,695	3,606,113	3,459,478
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	40,745	-	1,178,850	3,075,463	27,083	64,404	4,386,545	4,255,196
OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	40,745	-	986,359	3,122,570	34,084	71,438	4,255,196	

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CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2017 (Schedule 3)

	Budget (Unaudited)	2017	2016
TAXATION			
Real property taxes	351,259	349,166	327,230
Linear property taxes	3,605	3,605	3,468
	<u>354,864</u>	<u>352,771</u>	<u>330,698</u>
REQUISITIONS			
Alberta School Foundation	<u>83,274</u>	<u>83,274</u>	<u>78,523</u>
NET MUNICIPAL TAXES	<u>271,590</u>	<u>269,497</u>	<u>252,175</u>

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CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2017 (Schedule 4)

	Budget (Unaudited)	2017	2016
TRANSFERS FOR OPERATING			
Provincial Government	48,406	47,028	48,406
Local Governments	23,525	31,294	30,442
	<u>71,931</u>	<u>78,322</u>	<u>78,848</u>
TRANSFERS FOR CAPITAL			
Federal Government	-	28,597	100,000
Provincial Government	-	285,742	381,678
	<u>-</u>	<u>314,339</u>	<u>481,678</u>
TOTAL GOVERNMENT TRANSFERS	<u>71,931</u>	<u>392,661</u>	<u>560,526</u>

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CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2017 (Schedule 5)

	Budget (Unaudited)	2017	2016
Expenditures			
Salaries, wages and benefits	247,089	248,515	230,975
Contracted and general services	270,645	299,838	286,197
Purchases from other governments	2,917	2,716	2,416
Materials, goods and utilities	78,680	105,177	64,111
Transfers to local boards and agencies	23,340	25,541	32,158
Other expenditures	11,700	11,822	3,564
Amortization of tangible capital assets	-	146,635	140,031
Loss (gain) on disposal of tangible capital assets	-	-	(20,831)
	<u>634,371</u>	<u>840,244</u>	<u>738,621</u>

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SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2017 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal property taxes (Schedule 2)	269,497	-	-	-	-	-	-	269,497
User fees and sales of goods	1,925	-	-	192,658	100	52,000	2,250	248,933
Penalties and costs on taxes	12,434	-	-	2,080	-	-	-	14,514
Licenses and permits	-	2,351	-	-	-	1,550	-	3,901
Fines	-	822	-	-	-	-	-	822
Franchise and concession contracts	12,349	-	-	-	-	-	-	12,349
Investment income	2,192	-	-	-	-	-	-	2,192
Government transfers	47,028	31,294	-	-	-	-	-	78,322
Other	-	19,000	-	-	650	-	-	19,650
	<u>345,425</u>	<u>53,467</u>	<u>-</u>	<u>194,738</u>	<u>750</u>	<u>53,550</u>	<u>2,250</u>	<u>650,180</u>
EXPENSES								
Salaries, wages and benefits	111,671	10,013	67,278	52,056	-	-	7,497	248,515
Contracted and general services	55,043	29,160	49,214	158,727	-	4,522	3,172	299,838
Purchases from other governments	-	1,209	-	-	-	1,507	-	2,716
Materials, goods and utilities	7,413	14,365	32,319	25,569	-	23,502	2,009	105,177
Transfers to local boards and agencies	-	-	-	12,365	3,089	-	10,087	25,541
Other expenditures	11,822	-	-	-	-	-	-	11,822
	<u>185,949</u>	<u>54,747</u>	<u>148,811</u>	<u>248,717</u>	<u>3,089</u>	<u>29,531</u>	<u>22,765</u>	<u>693,609</u>
NET REVENUE, BEFORE AMORTIZATION	<u>159,476</u>	<u>(1,280)</u>	<u>(148,811)</u>	<u>(53,979)</u>	<u>(2,339)</u>	<u>24,019</u>	<u>(20,515)</u>	<u>(43,429)</u>
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	7,715	10,177	47,224	67,019	-	-	14,500	146,635
NET REVENUE	<u>151,761</u>	<u>(11,457)</u>	<u>(196,035)</u>	<u>(120,998)</u>	<u>(2,339)</u>	<u>24,019</u>	<u>(35,015)</u>	<u>(190,064)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Bawlf are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional 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 expenditures, changes in fund balances 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 are, therefore accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenditure 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) 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.

e) 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.

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

g) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) 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.

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 cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Buildings	25-50
Engineered structures - other	15-40
Engineered structures - water system	35-75
Engineered structures - wastewater system	35-75
Land improvements	15-20
Machinery and equipment	5-20
Vehicles	3-20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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 recorded as revenue.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and Historical Tangible Capital Assets

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

2. CASH AND TERM DEPOSITS

	<u>2017</u>	<u>2016</u>
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 5)	299,919	564,258
Included in cash and term deposits are amounts designated by council for future expenses and tangible capital asset acquisitions. (Note 8)	210,983	210,983
Total restricted cash and term deposits	<u>510,902</u>	<u>775,241</u>
Total unrestricted cash and term deposits	<u>200,416</u>	<u>390,564</u>

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2017</u>	<u>2016</u>
Current taxes and grants in place of taxes	38,413	31,485
Arrears taxes	24,675	16,811
	<u>63,088</u>	<u>48,296</u>

4. DEFERRED INCOME

	<u>2017</u>	<u>2016</u>
Deferred income consists of the following:		
Federal Gas Tax	71,403	50,000
Municipal Sustainability Initiative - capital	610,567	714,626
Basic Municipal Transportation Grant	32,409	32,409
Prepaid property taxes	18,483	15,646
	<u>732,862</u>	<u>812,681</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

5. 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 Bawlf be disclosed as follows:

	2017	2016
Total debt limit	975,270	837,054
Total debt	-	-
Surplus debt limit	975,270	837,054
Debt servicing limit	162,545	139,509
Debt servicing	-	-
Surplus debt servicing	162,545	139,509

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, 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

6. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2017</u>	<u>2016</u>
Tangible capital assets (Schedule 2)	7,992,658	7,714,674
Accumulated amortization (Schedule 2)	<u>(3,606,113)</u>	<u>(3,459,478)</u>
	<u>4,386,545</u>	<u>4,255,196</u>

7. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<u>2017</u>	<u>2016</u>
Unrestricted surplus	<u>387,402</u>	<u>394,476</u>
Restricted surplus		
Fire department	18,835	18,835
Water	83,684	83,684
General	<u>108,464</u>	<u>108,464</u>
	<u>210,983</u>	<u>210,983</u>
Equity in tangible capital assets	<u>4,386,545</u>	<u>4,255,196</u>
	<u>4,984,930</u>	<u>4,860,655</u>

8. SEGMENTED DISCLOSURE

The Village of Bawlf 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 the Schedule of Segmented Disclosure (schedule 6)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

9. SALARY AND BENEFITS DISCLOSURE

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

	2017			2016
	Salary	Benefits & Allowances	Total	Total
Adams	490	-	490	-
Buchanan	1,140	-	1,140	1,460
Demerch	690	-	690	-
Lorente	490	-	490	-
Mohan	690	-	690	1,170
Tessari	1,370	-	1,370	1,560
Thompson	2,070	-	2,070	2,660
Wells	1,620	-	1,620	1,320
CAO	80,597	6,622	87,219	94,437

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.

10. CONTINGENCIES

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

11. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities and long-term debt. 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 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 fair value of these financial instruments approximates their fair value.

12. COMPARITIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.