

**VILLAGE OF CZAR**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

## INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Council of the Village of Czar:**

*Report on the Consolidated Financial Statements*

I have audited the accompanying consolidated financial statements of the Village of Czar, 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 Czar 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.

M.D. of Wainwright

April 12, 2018

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

Brian King Professional Corporation  
Chartered Professional Accountant

# VILLAGE OF CZAR

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash and term deposits (Note 2)	487,893	465,131
Taxes and grants in place of taxes (Note 3)	8,921	15,073
Trade and other receivables	4,120	4,118
Receivable from other governments	246,530	125,511
Inventory held for resale	1,195	1,195
Other financial assets	1,499	1,499
	<u>750,158</u>	<u>612,527</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	23,975	26,049
Deferred revenue (Note 4)	294,077	131,282
	<u>318,052</u>	<u>157,331</u>
<b>NET FINANCIAL ASSETS</b>	<u>432,106</u>	<u>455,196</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>2,992,164</u>	<u>3,084,320</u>
<b>ACCUMULATED SURPLUS (NOTE 7)</b>	<u>3,424,270</u>	<u>3,539,516</u>

# VILLAGE OF CZAR

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

	Budget (unaudited)	2017	2016
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	121,500	<b>117,530</b>	114,665
User fees and sales of goods	21,000	<b>28,651</b>	20,758
Penalties and costs on taxes	3,500	<b>4,367</b>	3,497
Licenses and permits	-	<b>160</b>	130
Fines	-	<b>601</b>	1,381
Franchise and concession contracts	15,000	<b>14,288</b>	14,198
Investment income	-	<b>31</b>	-
Rentals	6,500	<b>8,635</b>	6,635
Government transfers for operating	-	<b>28,139</b>	28,698
Other	2,500	<b>21,188</b>	717
	<u>170,000</u>	<u><b>223,590</b></u>	<u>190,679</u>
<b>EXPENSES</b>			
Legislative	7,000	<b>7,312</b>	5,416
Administration	70,000	<b>87,761</b>	79,140
Protective services	8,000	<b>15,710</b>	8,817
Transportation	55,000	<b>80,433</b>	64,854
Wastewater treatment and disposal	7,500	<b>3,842</b>	6,377
Waste management	10,000	<b>11,985</b>	11,674
Public health and welfare	1,500	<b>1,384</b>	1,384
Recreation	12,500	<b>14,878</b>	12,418
Culture	3,500	<b>16,843</b>	4,316
Amortization	-	<b>126,494</b>	125,927
	<u>175,000</u>	<u><b>366,642</b></u>	<u>320,323</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER</b>	(5,000)	<b>(143,052)</b>	(129,644)
<b>OTHER</b>			
Government transfers for capital (Schedule 4)	-	<b>27,806</b>	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(5,000)	<b>(115,246)</b>	(129,644)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>3,539,516</u>	<u><b>3,539,516</b></u>	<u>3,669,160</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u>3,534,516</u></u>	<u><u><b>3,424,270</b></u></u>	<u><u>3,539,516</u></u>

# VILLAGE OF CZAR

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

	Budget (unaudited)	2017	2016
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>(5,000)</u>	<u>(115,246)</u>	<u>(129,644)</u>
Acquisition of tangible capital assets	-	(34,338)	-
Amortization of tangible capital assets	-	<u>126,494</u>	<u>125,927</u>
	<u>-</u>	<u>92,156</u>	<u>125,927</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(5,000)	<b>(23,090)</b>	(3,717)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>455,196</u>	<u>455,196</u>	<u>458,913</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>450,196</u>	<u>432,106</u>	<u>455,196</u>

# VILLAGE OF CZAR

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	(115,246)	(129,644)
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	126,494	125,927
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	6,152	848
Decrease (increase) in trade and other receivables	(2)	(1,189)
Decrease (increase) in receivable from other governments	(121,019)	(44,028)
Decrease (increase) in other financial assets	-	(10)
Increase (decrease) in accounts payable and accrued liabilities	(2,074)	1,709
Increase (decrease) in deferred revenue	162,795	131,282
	<u>57,100</u>	<u>84,895</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<u>(34,338)</u>	<u>-</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>22,762</b>	<b>84,895</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>465,131</b></u>	<u><b>380,236</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u><b>487,893</b></u></u>	<u><u><b>465,131</b></u></u>
<b>CASH AND CASH EQUIVALENTS IS MADE UP OF:</b>		
Cash on hand	50	50
Cash in bank	<u>487,843</u>	<u>465,081</u>
	<u><u><b>487,893</b></u></u>	<u><u><b>465,131</b></u></u>

VILLAGE OF CZAR

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

	Unrestricted Surplus	Equity in Tangible Capital Assets	2017	2016
<b>BALANCE, BEGINNING OF YEAR</b>	455,196	3,084,320	<b>3,539,516</b>	3,669,160
Excess (deficiency) of revenues over expenses	(115,246)	-	<b>(115,246)</b>	(129,644)
Current year funds used for tangible capital assets	(34,338)	34,338	-	-
Annual amortization expense	126,494	(126,494)	-	-
Change in accumulated surplus	(23,090)	(92,156)	<b>(115,246)</b>	(129,644)
<b>BALANCE, END OF YEAR</b>	<b>432,106</b>	<b>2,992,164</b>	<b>3,424,270</b>	<b>3,539,516</b>

## VILLAGE OF CZAR

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

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	2017	2016
<b>COST:</b>							
Balance - beginning of year	22,276	26,492	504,789	3,434,206	202,676	4,190,439	4,190,439
Acquisition of tangible capital assets	-	27,838	-	-	6,500	34,338	-
Balance - end of year	22,276	54,330	504,789	3,434,206	209,176	4,224,777	4,190,439
<b>ACCUMULATED AMORTIZATION</b>							
Balance - beginning of year	-	9,874	85,679	916,975	93,591	1,106,119	980,192
Annual amortization	-	1,539	10,669	101,776	12,510	126,494	125,927
Balance - end of year	-	11,413	96,348	1,018,751	106,101	1,232,613	1,106,119
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>22,276</b>	<b>42,917</b>	<b>408,441</b>	<b>2,415,455</b>	<b>103,075</b>	<b>2,992,164</b>	<b>3,084,320</b>
<b>OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>22,276</b>	<b>16,618</b>	<b>419,110</b>	<b>2,517,231</b>	<b>109,085</b>	<b>3,084,320</b>	



# VILLAGE OF CZAR

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

	Budget (Unaudited)	2017	2016
<b>TAXATION</b>			
Real property taxes	152,711	<b>148,717</b>	146,586
Linear property taxes	5,029	<b>5,029</b>	3,155
	<u>157,740</u>	<u><b>153,746</b></u>	<u>149,741</u>
<b>REQUISITIONS</b>			
Alberta School Foundation	33,571	<b>33,571</b>	32,201
Hillicrest Lodge	2,669	<b>2,645</b>	2,875
	<u>36,240</u>	<u><b>36,216</b></u>	<u>35,076</u>
<b>NET MUNICIPAL TAXES</b>	<u>121,500</u>	<u><b>117,530</b></u>	<u>114,665</u>

# VILLAGE OF CZAR

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

	Budget (Unaudited)	2017	2016
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	28,698	28,139	28,698
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	-	27,806	-
<b>TOTAL GOVERNMENT TRANSFERS</b>	28,698	55,945	28,698

# VILLAGE OF CZAR

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

	Budget (Unaudited)	2017	2016
<b>Expenditures</b>			
Salaries, wages and benefits	59,000	<b>79,011</b>	60,334
Contracted and general services	44,000	<b>72,901</b>	57,679
Materials, goods and utilities	24,000	<b>51,635</b>	55,085
Transfers to other governments	-	<b>4,175</b>	4,175
Transfers to local boards and agencies	-	<b>28,267</b>	15,040
Other expenditures	48,000	<b>4,159</b>	2,083
Amortization of tangible capital assets	-	<b>126,494</b>	125,927
	<u>175,000</u>	<u><b>366,642</b></u>	<u>320,323</u>

# VILLAGE OF CZAR

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

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Recreation & Culture	Total
<b>REVENUE</b>							
Net municipal property taxes (Schedule 2)	117,530	-	-	-	-	-	117,530
User fees and sales of goods	-	-	-	19,666	-	8,985	28,651
Penalties and costs on taxes	4,367	-	-	-	-	-	4,367
Licenses and permits	-	160	-	-	-	-	160
Fines	-	601	-	-	-	-	601
Franchise and concession contracts	14,288	-	-	-	-	-	14,288
Rentals	3,035	3,600	2,000	-	-	-	8,635
Government transfers	28,139	-	-	-	-	-	28,139
Other	8,647	-	41	-	-	12,500	21,188
	<u>176,037</u>	<u>4,361</u>	<u>2,041</u>	<u>19,666</u>	<u>-</u>	<u>21,485</u>	<u>223,590</u>
<b>EXPENSES</b>							
Salaries, wages and benefits	46,405	-	32,606	-	-	-	79,011
Contracted and general services	34,528	9,550	10,836	15,827	-	2,160	72,901
Materials, goods and utilities	10,158	1,985	36,814	-	-	2,678	51,635
Transfers to other governments	-	4,175	-	-	-	-	4,175
Transfers to local boards and agencies	-	-	-	-	1,384	26,883	28,267
Other expenditures	3,982	-	177	-	-	-	4,159
	<u>95,073</u>	<u>15,710</u>	<u>80,433</u>	<u>15,827</u>	<u>1,384</u>	<u>31,721</u>	<u>240,148</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	80,964	(11,349)	(78,392)	3,839	(1,384)	(10,236)	(16,558)
<b>AMORTIZATION AND DISPOSAL OF ASSETS</b>							
Amortization of tangible capital assets	1,913	2,497	80,588	39,037	-	2,459	126,494
<b>NET REVENUE</b>	<u>79,051</u>	<u>(13,846)</u>	<u>(158,980)</u>	<u>(35,198)</u>	<u>(1,384)</u>	<u>(12,695)</u>	<u>(143,052)</u>

# VILLAGE OF CZAR

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Czar 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.

# VILLAGE OF CZAR

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

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### 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.

# VILLAGE OF CZAR

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

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### 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:

	<b>YEARS</b>
Buildings	50
Engineered structures - other	20
Engineered structures - wastewater system	50-75
Land improvements	25
Machinery and equipment	15-25

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.

# VILLAGE OF CZAR

## 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 4)	<u>53,476</u>	<u>10,705</u>
Un-restricted cash	<u>434,417</u>	<u>454,426</u>

### 3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2017</u>	<u>2016</u>
Current taxes and grants in place of taxes	7,131	10,676
Arrears taxes	<u>1,790</u>	<u>4,397</u>
	<u>8,921</u>	<u>15,073</u>

### 4. DEFERRED INCOME

	<u>2017</u>	<u>2016</u>
Deferred income consists of the following:		
Federal Gas Tax	100,000	50,000
Municipal Sustainability Initiative - capital	<u>194,077</u>	<u>81,282</u>
	<u>294,077</u>	<u>131,282</u>



# VILLAGE OF CZAR

## 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 Czar be disclosed as follows:

	<u>2017</u>	<u>2016</u>
Total debt limit	<u>335,385</u>	<u>286,019</u>
Total debt	-	-
Surplus debt limit	<u>335,385</u>	<u>286,019</u>
Debt servicing limit	<u>55,898</u>	<u>45,670</u>
Debt servicing	-	-
Surplus debt servicing	<u>55,898</u>	<u>45,670</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, 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.

### 6. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2017</u>	<u>2016</u>
Tangible capital assets (Schedule 2)	<u>4,224,777</u>	<u>4,190,439</u>
Accumulated amortization (Schedule 2)	<u>(1,232,613)</u>	<u>(1,106,119)</u>
	<u>2,992,164</u>	<u>3,084,320</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>432,106</u>	<u>455,196</u>
Equity in tangible capital assets	<u>2,992,164</u>	<u>3,084,320</u>
	<u>3,424,270</u>	<u>3,539,516</u>

# VILLAGE OF CZAR

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

### 8. SEGMENTED DISCLOSURE

The Village of Czar 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)

### 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
Large	2,400	-	2,400	1,700
Dambrowsky	-	-	-	1,600
Grunow	2,075	-	2,075	
Manning	1,500	-	1,500	1,588
CAO	11,375	707	12,082	17,981
CAO	19,035	1,291	20,326	-

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.

The village is a member of the M.D. #52 Waste Management Authority. Under the terms of the membership, the village could become liable for its proportionate share of any landfill closure and post-closure costs in excess of the funds held by the authority. Any liability incurred would be accounted for as a current transaction in the year the shortfall is determined.

# VILLAGE OF CZAR

## 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. RECONCILIATION OF OPERATING RESULTS TO BUDGETING SYSTEM

The village has prepared its budget according to the former accounting standards that were in place prior to 2009 which tracked all municipal activities including capital projects and reserves for future use. The reconciliation below to encompass these items is provided for information purposes only to provide users with supplementary comparative information. It should not be used as a replacement for the consolidated statement of financial activities and accumulated surplus and users should note that this information may not be appropriate for their purposes.

	Budget (unaudited)	2017	2016
Excess of revenue over expenditures, per financial statements	(5,000)	(115,246)	(129,644)
Adjustments			
Amortization expense	-	126,494	125,927
Acquisition of tangible capital assets	-	(34,338)	-
Results of operations - previous methods	(5,000)	(23,090)	(3,717)
Net transfers (to) from reserves	5,000	-	-
Increase (decrease) in unrestricted surplus	-	(23,090)	(3,717)

### 13. COMPARITIVE FIGURES

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

### 14. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.