

**VILLAGE OF RYLEY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**VILLAGE OF RYLEY**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Councils of Village of Ryley

*Opinion*

We have audited the consolidated financial statements of Village of Ryley (the Village), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, 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 Village as at December 31, 2018, 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 Village 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 Village'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 Village or to cease operations, or has no realistic alternative but to do so.

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

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*Auditor's Responsibilities for the Audit of the Consolidated 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 Village'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 Village'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 Village 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  
April 18, 2019

*Seniuk & Company*  
**Seniuk and Company,  
Chartered Accountants**

**VILLAGE OF RYLEY**  
**Consolidated Statement of Financial Position**  
**December 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 1,623,694	\$ 1,305,042
Current taxes and grants in place of taxes (Note 3)	97,770	118,516
Grants and receivables from other governments (Note 4)	93,618	83,107
Trade and other receivables	106,095	188,363
Land held for resale	127,512	108,509
	<b>\$ 2,048,689</b>	<b>\$ 1,803,537</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 62,079	\$ 215,387
Deferred income (Note 6)	108,868	81,062
Long term debt (Note 7)	609,517	806,311
	<b>780,464</b>	<b>1,102,760</b>
<b>NET FINANCIAL ASSET (DEBT)</b>	<b>1,268,225</b>	<b>700,777</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	4,837,059	5,084,124
Prepaid expenses	41,203	41,337
	<b>4,878,262</b>	<b>5,125,461</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 6,146,487</b>	<b>\$ 5,826,238</b>

On behalf of Council

  
 \_\_\_\_\_ Councilor  
  
 \_\_\_\_\_ Councilor

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2018**

	Budget (Unaudited) 2018	2018	2017
<b>REVENUE</b>			
Net municipal taxes (Schedule 1)	\$ 404,000	\$ 415,128	\$ 499,275
User fees and sale of goods	128,150	139,825	143,383
Government transfers for operating	55,600	117,516	54,618
Investment income	4,000	23,083	10,360
Penalties and costs of taxes	15,500	17,220	20,221
Licenses and permits	1,400	2,860	889
Rentals	17,000	19,715	17,156
Franchise fees & concession contracts	22,600	28,871	30,521
Other	4,100	653,780	770,553
<b>Total revenue</b>	<b>652,350</b>	<b>1,417,998</b>	<b>1,546,976</b>
<b>EXPENSES</b>			
Legislative	59,500	86,286	53,450
Administration	296,100	378,958	362,136
Bylaw enforcement	9,000	7,761	12,058
Disaster and emergency measures	69,510	69,690	44,820
Roads, streets, walks and lighting	225,094	227,671	234,068
Waste management	22,000	22,003	21,978
Wastewater treatment and disposal	20,900	55,143	18,971
Land use planning, zoning and development	22,000	11,031	17,082
Family and community support	10,000	9,600	9,877
Cemeteries and crematoriums	6,500	7,044	6,297
Parks and recreation	130,255	118,705	132,218
Libraries, museums and halls	80,386	72,410	78,068
<b>Total operating expenses</b>	<b>951,245</b>	<b>1,066,302</b>	<b>991,023</b>
<b>Excess (deficiency) of revenue over expenses before other</b>	<b>(298,895)</b>	<b>351,696</b>	<b>555,953</b>
<b>OTHER INCOME (EXPENSES)</b>			
Government transfers for capital	288,900	276,732	251,071
Gain on disposal of assets	-	-	6,629
Amortization	-	(308,179)	(301,904)
	288,900	(31,447)	(44,204)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(9,995)</b>	<b>320,249</b>	<b>511,749</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>5,826,238</b>	<b>5,826,238</b>	<b>5,314,489</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 5,816,243</b>	<b>\$ 6,146,487</b>	<b>\$ 5,826,238</b>

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2018**

	2018	2017
<b>Excess of revenue over expenses</b>	<b>\$ 320,249</b>	<b>\$ 511,749</b>
Acquisition of tangible capital assets	(61,116)	(329,069)
Proceeds on disposal of tangible capital assets	-	10,500
Amortization of tangible capital assets	308,179	301,904
(Gain) loss on disposal of assets	-	(6,629)
	<b>247,063</b>	<b>(23,294)</b>
Use of prepaids	136	\$ (39,877)
<b>(INCREASE) DECREASE IN NET DEBT</b>	<b>567,448</b>	<b>448,578</b>
Net financial assets (debt), beginning of year	700,777	252,199
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,268,225</b>	<b>\$ 700,777</b>

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 320,249	\$ 511,749
Items not affecting cash:		
Gain on disposal of assets	-	(6,629)
Amortization	308,179	301,904
	<b>628,428</b>	<b>807,024</b>
Changes in non-cash working capital:		
Trade and other receivables	82,268	(56,529)
Current taxes and grants in place of taxes	20,746	(21,543)
Land held for resale	(19,003)	-
Grants and receivables from other governments	(10,511)	34,872
Accounts payable	(153,308)	183,448
Deferred income	27,806	46,326
Prepaid expenses	134	(39,879)
	<b>(51,868)</b>	<b>146,695</b>
Cash flow from operating activities	<b>576,560</b>	<b>953,719</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(61,114)	(329,069)
Proceeds on disposal of capital assets	-	10,500
Cash flow used by investing activities	<b>(61,114)</b>	<b>(318,569)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	(196,794)	(193,689)
<b>INCREASE IN CASH FLOW</b>	<b>318,652</b>	<b>441,461</b>
Cash - beginning of year	<b>1,305,043</b>	<b>863,582</b>
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 1,623,695</b>	<b>\$ 1,305,043</b>

The accompanying notes form an integral part of these financial statements



**VILLAGE OF RYLEY**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2018**

**(Schedule 1)**

	Budget (Unaudited) 2018	2018	2017
<b>TAXATION</b>			
Real property tax	\$ 480,960	\$ 492,080	\$ 568,650
Linear property taxes	44,000	43,935	45,623
	524,960	536,015	614,273
<b>REQUISITIONS</b>			
Alberta School Foundation	103,160	103,161	99,671
Seniors' housing requisition	17,800	17,726	15,327
	120,960	120,887	114,998
<b>NET MUNICIPAL TAXES</b>	\$ 404,000	\$ 415,128	\$ 499,275

**Consolidated Schedule of Government Transfers**

**(Schedule 2)**

	Budget (Unaudited) 2018	2018	2017
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 55,600	\$ 117,516	\$ 54,618
	55,600	117,516	54,618
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	288,900	276,732	251,071
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 344,500	\$ 394,248	\$ 305,689

**Consolidated Schedule of Expenditures by Object**

**(Schedule 3)**

	Budget (Unaudited) 2018	2018	2017
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 384,666	\$ 390,112	\$ 398,094
Contracted and general services	342,510	478,204	389,040
Materials, goods and utilities	134,775	130,517	128,940
Transfer to local boards and agencies	77,000	55,513	59,887
Interest on long term	12,094	11,956	15,062
<b>Total Consolidated Expenditures by Object</b>	\$ 951,045	\$ 1,066,302	\$ 991,023

The accompanying notes form an integral part of these financial statements

VILLAGE OF RYLEY

Consolidated Schedule of Segmented Disclosure  
Year Ended December 31, 2018

(Schedule 4)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	2018
<b>REVENUE</b>								
Net municipal taxes	\$ 415,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,128
Government transfers	67,516	50,000	-	-	-	-	-	117,516
User fees and sales of goods	1,426	-	-	-	40,270	93,879	4,250	139,825
Investment income	23,083	-	-	-	-	-	-	23,083
Other revenues	47,804	839	-	2,240	19,815	-	651,748	722,446
	554,957	50,839	-	2,240	60,085	93,879	655,998	1,417,998
<b>EXPENSES</b>								
Contract & general services	241,933	77,271	44,114	2,889	51,020	59,375	1,600	478,202
Salaries & wages	196,387	-	105,463	-	71,785	11,033	5,444	390,112
Materials, goods & utilities	15,956	-	66,139	-	41,505	6,918	-	130,518
Transfers to local boards	10,966	-	-	-	34,948	-	9,600	55,514
Long term debt interest	-	-	11,956	-	-	-	-	11,956
	465,242	77,271	227,672	2,889	199,258	77,326	16,644	1,066,302
<b>NET REVENUE, BEFORE OTHER</b>	89,715	(26,432)	(227,672)	(649)	(139,173)	16,553	639,354	351,696
<b>OTHER INCOME AND EXPENSE</b>								
Amortization	(15,103)	-	(208,623)	-	(58,041)	(26,412)	-	(308,179)
Government transfers for capital	-	-	246,612	-	-	30,120	-	276,732
	(15,103)	-	37,989	-	(58,041)	3,708	-	(31,447)
<b>NET REVENUE</b>	\$ 74,612	\$ (26,432)	\$ (189,683)	\$ (649)	\$ (197,214)	\$ 20,261	\$ 639,354	\$ 320,249

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Consolidated Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2018** **(Schedule 5)**

	Unrestricted Surplus	Operating Reserves	Capital Reserves	Equity in Tangible Capital Assets	Total	Total
					2018	2017
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 713,689	\$ 828,779	\$ 5,957	\$ 4,277,813	\$ 5,826,238	\$ 5,314,489
Excess (deficiency) of revenues over expenses	320,249	-	-	-	320,249	511,749
Current year funds used for tangible capital asset	(61,114)	-	-	61,114	-	-
Annual amortization expense	308,179	-	-	(308,179)	-	-
Principle repayments on long term debt	(196,794)	-	-	196,794	-	-
Net transfers to/from reserves	(813,156)	-	813,156	-	-	-
	(442,636)	-	813,156	(50,271)	320,249	511,749
<b>BALANCE, END OF YEAR</b>	\$ 271,053	\$ 828,779	\$ 819,113	\$ 4,227,542	\$ 6,146,487	\$ 5,826,238

Note: The net book value of the tangible capital assets at year end, less related debt, represents the amount of equity in tangible capital assets.

**VILLAGE OF RYLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Ryley 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 Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village are as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the Village of Ryley (the "Village"). The 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, 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.

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.

Tax Revenue

Annually, the Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by Village Council in accordance with legislation and Village Council approved policies to raise the tax revenue required to meet the Village's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Consolidated Schedule of Property and Other Taxes.

The Village also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Consolidated Schedule of Property and Other Taxes (Schedule 1).

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**VILLAGE OF RYLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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

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.

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.

Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt less actuarial requirements for the retirement of any sinking fund debentures.

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.

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 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 the respective function.

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**VILLAGE OF RYLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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

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.

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.

Non-Financial Assets

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

Tangible Capital Assets

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

Land improvements	15 - 30 years
Buildings	20 - 50 years
Machinery and equipment	10 - 30 years
Motor vehicles	10 years
Engineered structures	10 - 75 years

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

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.

Cultural and Historical Tangible Capital Assets

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

**VILLAGE OF RYLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

2. CASH AND TEMPORARY INVESTMENTS

	2018	2017
Cash	\$ 1,599,691	\$ 1,067,090
Term deposits	-	214,202
Restricted cash	24,004	23,751
	<b>\$ 1,623,695</b>	<b>\$ 1,305,043</b>

Temporary investments are short-term deposits with maturities of one year or less.

Included in cash are restricted amounts received from Municipal grants or Clean Harbours and are held exclusively for future approved projects (Note 6).

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2018	2017
Current taxes and grants in place of taxes	\$ 34,539	\$ 61,004
Arrears taxes and grants in place of taxes	63,231	57,512
	<b>\$ 97,770</b>	<b>\$ 118,516</b>

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2018	2017
Alberta Community Partnership (ACP) Program	\$ 69,400	\$ 50,000
Goods and Services Tax Receivable	(24,218)	(33,107)
	<b>\$ 45,182</b>	<b>\$ 16,893</b>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Buildings	\$ 1,856,054	\$ 756,506	\$ 1,099,548	\$ 1,141,733
Engineered Structures	7,082,905	4,374,807	2,708,098	2,877,917
Land	337,502	-	337,502	337,502
Land improvements	461,743	227,083	234,660	240,739
Machinery and equipment	661,907	205,357	456,550	485,182
Motor vehicles	38,720	38,019	701	1,051
	<b>\$ 10,438,831</b>	<b>\$ 5,601,772</b>	<b>\$ 4,837,059</b>	<b>\$ 5,084,124</b>

**VILLAGE OF RYLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2018	2017
Alberta Community Partnership (ACP) Program	\$ 69,400	\$ 50,000
Clean Harbours Canada	24,004	23,751
Prepaid property taxes	13,740	5,811
Community hall deposits	1,724	1,500
	<b>\$ 108,868</b>	<b>\$ 81,062</b>

**Alberta Community Partnership (ACP) Program**

Funding from the Provincial Government was allocated to the Village from the Alberta Community Partnership (ACP) Program. The program funding is restricted to land-use planning objectives. Unexpended funds related to the advance from the Provincial Government are supported by restricted cash and held exclusively for these projects (refer to Note 2).

**Clean Harbours Canada**

The Clean Harbours Canada has contributed funds that are restricted for future capital projects. Unexpended funds related to the advance are supported by restricted cash held exclusively for these projects (refer to Note 2).

7. LONG TERM DEBT

	2018	2017
Alberta Capital Finance Authority loan bearing interest at 1.597% per annum, repayable in semi-annual blended payments of \$104,444. The loan matures on December 15, 2021 and is secured by the credit and security of the Village.	\$ 609,517	\$ 806,311

Principal reductions over the next 4 years are approximately:

2019	\$ 199,949
2020	203,155
2021	206,413
	<u>\$ 609,517</u>

Interest on long-term debt amounted to \$11,956 (2017 - \$15,062)



**VILLAGE OF RYLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

8. SEGMENTED DISCLOSURE

The Village of Ryley 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 4).

9. 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 Ryley be disclosed as follows:

	2018	2017
Total debt limit	\$ 2,126,997	\$ 2,320,464
Total debt	(609,517)	(806,311)
Amount of debt limit unused	1,517,480	1,514,153
Debt servicing limit	354,500	386,744
Debt servicing	(208,750)	(208,751)
Amount of debt servicing limit unused	\$ 145,750	\$ 177,993

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.

10. 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 Public Sector Pension Plans Act. 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.

Total current service contributions by the town to the LAPP in 2018 were \$28,730 (2017 - \$23,508). Total current service contributions by the employees of the town to the Local Authorities Pension Plan in 2018 were \$26,236 (2017 - \$21,467).

At December 31, 2017, the LAPP disclosed an actuarial surplus of \$4.835 billion.

**VILLAGE OF RYLEY**  
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**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

Equity in tangible capital assets is comprised of:

	2018	2017
Tangible capital assets (Note 5)	\$ 10,438,831	\$ 10,377,718
Accumulated amortization (Note 5)	(5,601,772)	(5,293,593)
Long term debt (Note 7)	(609,517)	(806,311)
	<b>\$ 4,227,542</b>	<b>\$ 4,277,814</b>

**12. SALARY AND BENEFITS DISCLOSURE**

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

	\$		2018	2017
	Salary (1)	Benefits & allowances (2)	Total	Total
L. Svenson - Councillor (prior)	\$ -	\$ -	\$ -	\$ 5,408
L. Warren-Nimeck - Councillor (prior)	-	-	-	2,955
B. Ducherer - Councillor (current)	6,898	177	7,075	5,216
P. Presley - Councillor (prior)	-	-	-	2,834
T. Magnuson - Councillor (current)	7,537	203	7,740	5,590
C. Heslin - Councillor (current)	8,998	273	9,271	1,574
M. Kowalski - Councillor (current)	5,454	137	5,591	1,054
N. Lee - Councillor (current)	3,859	45	3,904	851
J. Winses - Chief Administrative Officer (prior)	-	-	-	32,335
M. Simpson - Chief Administrative Officer (prior)	61,763	8,721	70,484	68,398
A. Harvey - Chief Administrative Officer (current)	64,798	-	64,798	-
Designated Officer	9,375	-	9,375	9,275
	<b>\$ 168,682</b>	<b>\$ 9,556</b>	<b>\$ 178,238</b>	<b>\$ 135,490</b>

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. The current Chief Administrative Officer is paid via contracted services.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.
3. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**VILLAGE OF RYLEY**  
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13. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy 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.

Credit risk

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

Fair value

The Village's carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Village for debt with similar terms.

14. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.