

**MUNICIPAL DISTRICT OF OPPORTUNITY NO.17**  
Consolidated Financial Statements  
Year Ended December 31, 2016

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Index to Consolidated Financial Statements

Year Ended December 31, 2016

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The accompanying consolidated financial statements of the Municipal District of Opportunity No. 17 (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Collins Barrow Edmonton LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

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Chief Administrative Officer

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Manager of Finance and Information  
Services

Wabasca, Alberta  
April 26, 2017

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**INDEPENDENT AUDITORS' REPORT**

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**To the Reeve and Council of the Municipal District of Opportunity No.17**

We have audited the accompanying consolidated financial statements of Municipal District of Opportunity No.17, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations and accumulated surplus, 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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.

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 Municipal District of Opportunity No.17 as at December 31, 2016 and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta  
April 26, 2017

Chartered Professional Accountants

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

## Statement of Financial Position

December 31, 2016

	2016	2015 Restated (Note 21)
<b>Financial assets</b>		
Cash and cash equivalents	\$ 2,685,644	\$ 11,520,770
Restricted cash (Note 3)	39,991,121	24,353,904
Taxes and grants in place of taxes receivable (Note 4)	3,078,532	1,238,060
Due from federal and provincial governments	920,544	540,064
Trade and other receivables	1,433,608	1,713,151
Land held for resale	2,357,408	2,794,254
	<b>50,466,857</b>	<b>42,160,203</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	4,519,809	5,764,778
Deposit liabilities	244,879	260,313
Deferred revenue (Note 6)	154,675	102,366
Trust liability - land sales (Note 7)	165,390	165,027
Landfill closure and post-closure liabilities (Note 8)	140,524	108,660
Long-term debt (Note 9)	1,458,429	1,553,368
	<b>6,683,706</b>	<b>7,954,512</b>
<b>Net Financial Assets</b>	<b>43,783,151</b>	<b>34,205,691</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 2)	297,585,648	302,018,936
Inventory for consumption	1,412,415	647,440
Prepaid expenses	775,878	497,798
	<b>299,773,941</b>	<b>303,164,174</b>
<b>Accumulated surplus (Note 12, Schedule 1)</b>	<b>\$343,557,092</b>	<b>\$337,369,864</b>

Commitments (Note 15)

Contingencies (Note 16)

### APPROVED BY:

\_\_\_\_\_  
Chief Administrative Officer

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Manager of Finance and Information Services

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

## Consolidated Statement of Operations and Annual Surplus (Deficit)

Year Ended December 31, 2016

	Budget (Note 19) 2016	2016	Restated (Note 21) 2015
<b>REVENUES</b>			
Net municipal taxes (Schedule 3)	\$ 65,699,950	\$ 61,423,779	\$ 68,569,857
User fees and sales of goods	4,926,408	4,088,409	3,625,118
Government transfers for operating (Schedule 4)	1,459,542	1,176,827	860,525
Rentals	564,000	683,852	853,903
Other	-	572,191	730,015
Investment income	375,000	432,394	362,969
Penalties and costs on taxes	85,000	205,124	88,265
Licenses, permits and fines	53,531	104,508	27,297
Well drilling	100,000	40,147	13,985
	73,263,431	68,727,231	75,131,934
<b>EXPENSES (Schedule 5)</b>			
Council	1,683,060	1,464,944	1,537,312
Administration	9,612,063	6,032,830	6,392,777
Engineering	632,124	533,951	604,817
Fire protection and safety services	5,654,724	5,140,205	4,147,850
Bylaw enforcement	99,205	86,257	82,410
Roads, streets, walks, lighting	33,583,395	21,149,178	21,563,879
Airport	133,800	265,817	257,333
Water supply and distribution	6,502,370	6,758,392	7,877,411
Wastewater treatment and disposal	4,657,538	2,303,624	1,687,944
Waste management	800,755	820,501	802,518
Family and community support	146,467	147,168	224,587
Daycare	3,445,262	2,878,414	2,476,541
Public health and welfare	2,917,220	2,669,830	2,597,052
Land use planning, zoning and development	1,315,055	1,319,933	1,588,136
Economic development and tourism	697,932	580,549	563,547
Recreation and culture	10,141,785	12,011,200	11,845,871
Housing operations	1,163,052	1,088,396	376,845
	83,185,807	65,251,189	64,626,830
<b>Annual surplus (deficit) before other revenue</b>	(9,922,376)	3,476,042	10,505,104
<b>OTHER REVENUE</b>			
Government transfers for capital (Schedule 4)	1,456,542	2,711,186	1,782,479
<b>ANNUAL SURPLUS (DEFICIT)</b>	(8,465,834)	6,187,228	12,287,583
<b>Accumulated surplus - beginning of year</b>	-	337,369,864	325,082,281
<b>Accumulated surplus (deficit) - end of year</b>	\$ (8,465,834)	\$343,557,092	\$337,369,864

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

## Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2016

	Budget (Note 19) 2016	2016	Restated (Note 21) 2015
<b>Annual surplus (deficit)</b>	\$ (8,465,834)	\$ 6,187,228	\$ 12,287,583
Amortization of tangible capital assets	14,802,300	<b>14,236,187</b>	14,126,397
Acquisition of tangible capital assets	-	<b>(12,045,478)</b>	(9,555,010)
Write-down of tangible capital assets	-	<b>2,242,579</b>	363,727
Transfer of tangible capital assets to land held for resale	-	-	1,234,125
Change in work in progress	-	-	(64,969)
Proceeds on disposition of tangible capital assets	-	-	274,254
Gain on disposal of tangible capital assets	-	-	(185,444)
	14,802,300	<b>4,433,288</b>	6,193,080
Change in inventory for consumption	-	<b>(764,976)</b>	(357,857)
Change in prepaid expenses	-	<b>(278,080)</b>	(8,197)
	-	<b>(1,043,056)</b>	(366,054)
	14,802,300	<b>3,390,232</b>	5,827,026
<b>INCREASE IN NET FINANCIAL ASSETS</b>	6,336,466	<b>9,577,460</b>	18,114,609
Net financial assets - beginning of year	34,205,691	<b>34,205,691</b>	16,091,082
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 40,542,157	\$ <b>43,783,151</b>	\$ 34,205,691

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

## Consolidated Statement of Cash Flows

Year Ended December 31, 2016

	2016	2015
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 6,187,228	\$ 12,287,583
Item not involving cash:		
Amortization of tangible capital assets	14,236,187	14,126,397
Gain on disposal of tangible capital assets	-	(185,444)
Increase in the provision for landfill closure and post closure costs	31,864	25,594
Write-down of tangible capital assets	2,242,580	363,727
	<b>22,697,859</b>	<b>26,617,857</b>
Changes in non-cash working capital:		
(Increase) decrease in taxes and grants in place of taxes receivable	(1,840,472)	56,250
(Increase) decrease in due from federal and provincial governments	(380,480)	1,490,991
(Increase) decrease in trade and other receivables	279,543	(943,184)
(Decrease) increase in land held for resale	436,845	(378,595)
Increase in prepaid expenses	(278,080)	(8,197)
Increase in inventory for consumption	(764,976)	(357,857)
Decrease in accounts payable and accrued liabilities	(1,244,969)	(1,429,172)
Decrease in deposit liabilities	(15,434)	(197,828)
Increase (decrease) in deferred revenue	52,309	(42,754)
Increase in trust liability - land sales	363	596
	<b>(3,755,351)</b>	<b>(1,809,750)</b>
	<b>18,942,508</b>	<b>24,808,107</b>
<b>CAPITAL ACTIVITIES</b>		
Proceeds on disposition of capital assets	-	274,254
Acquisition of tangible capital assets	(12,045,478)	(9,555,010)
	<b>(12,045,478)</b>	<b>(9,280,756)</b>
<b>INVESTING ACTIVITIES</b>		
Increase in restricted cash	(15,637,217)	(24,044,801)
<b>FINANCING ACTIVITY</b>		
Repayments of long-term debt	(94,939)	(496,052)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,835,126)</b>	<b>(9,013,502)</b>
Cash and cash equivalents - beginning of year	11,520,770	20,534,272
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,685,644</b>	<b>\$ 11,520,770</b>

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 1. Summary of significant accounting policies

The consolidated financial statements of the Municipal District of Opportunity (the "Municipality") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards 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 Municipality are as follows:

### (a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in fund balance 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 Municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources. They include Municipal District of Opportunity Housing Development Corporation.

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 consolidated 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 and services and/or the legal obligation to pay.

### (c) Revenue recognition

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

Revenues from the provision of goods or services are recognized in the period in which the goods are provided or the services rendered. Rental revenues are recognized in the period to which they relate. Investment income are recorded as revenue in the period earned.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 1. Summary of significant accounting policies (*continued*)

### (d) Use of estimates

The preparation of financial statements in accordance 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. Significant management estimates pertain to the estimated useful life of tangible capital assets and related amortization, collectability of accounts receivable, the amounts for accrued liabilities and the amounts for landfill closure and post closure liabilities. Actual results may differ from those estimates.

### (e) Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and short-term investments with original term to maturity from the date of purchase of less than ninety days.

### (f) 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 the value that is other than a temporary decline, the respective investment is written down to recognize the loss.

### (g) 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 un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

### (h) Requisition over-levies and under-levies

Over-levies and under-levies arise from the difference between the actual property 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.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

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# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 1. Summary of significant accounting policies (*continued*)

### (i) Land held for resale

Land held for resale is recorded at lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

### (j) Prepaid local improvement charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the Municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

### (k) Landfill closure and post-closure liabilities

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Municipality is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leach control and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

### (l) Contaminated sites liabilities

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material of 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.

### (m) 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 amount can be made.

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# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements  
Year Ended December 31, 2016

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## 1. Summary of significant accounting policies (*continued*)

### (n) 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 changes 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.

#### a) 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 to 25 years
Buildings	25 to 50 years
Engineered Structures	
Water system	45 to 75 years
Wastewater system	45 to 75 years
Other engineered structures	10 to 65 years
Machinery and equipment	10 to 40 years
Vehicles	10 to 40 years

Annual amortization is not charged in the year of acquisition or the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### b) 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.

#### c) 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.

#### d) Inventory for consumption

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

#### e) 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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# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 1. Summary of significant accounting policies (*continued*)

### f) Natural Resources

Natural resources that have not been purchased are not recognised as tangible capital assets in these financial statements

## 2. Recent Accounting Pronouncements

The following accounting standards have been issued by the Chartered Professional Accountants of Canada ("CPA Canada") but are not yet effective. The Municipality is currently evaluating the effect of adopting these standards on their consolidated financial statements.

### Section PS 3450 – Financial Instruments

The new section establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments. All other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2019

### Section PS 1201 – Financial Statement Presentation

This new section requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising for the re-measurement of financial instruments and items denominated in foreign currencies as well as government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2019

### Section PS 2601 – Foreign Currency Translation

This standard requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This section replaces PS2600 and is applicable for years beginning on or after April 1, 2019.

### Section PS 3041 - Portfolio Investments

This section removes the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS3450. Upon adoption of PS3450 and PS3041 Temporary Investments PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2019.

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# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 2. Recent Accounting Pronouncements (*continued*)

### Section PS 3210 - Assets

This new Section provides guidance for applying the definition of assets set out in Section PS 1000, and establishes general disclosure standards for assets. Disclosure of information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reason(s) for this should be disclosed. This standard is applicable for fiscal years beginning on or after April 1, 2017.

### Section PS 3320 - Contingent Assets

This new Section defines and establishes disclosure standards on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely. This standard is applicable for fiscal years beginning on or after April 1, 2017.

### Section PS 3380 - Contractual Rights

This new Section defines and establishes disclosure standards on contractual rights. Disclosure of information about contractual rights is required including description about their nature and extent and the timing. This standard is applicable for fiscal years beginning on or after April 1, 2017.

### Section PS 3240 - Inter-entity Transactions

This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This standard is applicable for fiscal years beginning on or after April 1, 2017.

### Section PS 3430 - Restructuring Transactions

This new Section defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. This standard is applicable for fiscal years beginning on or after April 1, 2018.

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements  
Year Ended December 31, 2016

## 3. Restricted Cash

	2016	2015
<b>Restricted cash</b>		
Water treatment plant reserve	\$ 10,275,540	\$ 5,000,000
Restricted funds held in cash are held exclusively for capital and operating projects.		
<b>Internally restricted cash</b>		
Funds held in cash	19,836,191	14,528,876
Tax recovery trust held in GIC's	165,390	165,028
Investments held in GIC's	9,714,000	4,660,000
	<b>29,715,581</b>	19,353,904
Grand total	<b>\$ 39,991,121</b>	\$ 24,353,904

The tax recovery trust held in GIC's is restricted as it represents proceeds from tax recovery properties which must be maintained by the Municipality for 10 years. This is a restricted amount held to fund any tax recoveries claimed.

## 4. Taxes and Grants in Place of Taxes Receivable

	2016	2015
Current taxes and grants in place of taxes	\$ 2,994,924	\$ 988,066
Arrears taxes	1,543,695	1,155,511
Subtotal	4,538,619	2,143,577
Less: Allowance for doubtful accounts	(1,460,087)	(905,517)
	<b>\$ 3,078,532</b>	\$ 1,238,060

## 5. Accounts Payable and Accrued Liabilities

The following is included in accounts payable and accrued liabilities:

	2016	2015
Vacation and overtime	\$ 734,379	\$ 656,860
Accounts payable and accrued liabilities	3,785,430	5,107,918
	<b>\$ 4,519,809</b>	\$ 5,764,778

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next year.

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements  
Year Ended December 31, 2016

## 6. Deferred Revenue

	2016	2015
Deferred revenue - operating	\$ 154,675	\$ 102,366

Funding received from the various grant programs noted above are restricted to the eligible, operating and capital projects, as approved under the funding agreement.

## 7. Trust liability – land sales

The Municipality administers the following trust

	2016	2015
<b>Tax sale trust account</b>		
Balance, beginning of year	\$ 165,027	\$ 164,431
Interest earned	363	596
Balance, end of year	\$ 165,390	\$ 165,027

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

## 8. Landfill Closure and Post-Closure Liabilities

The Municipality operates two Class II landfills in Red Earth Creek and Wabasca which can accept most types of waste after testing. The landfills are expected to provide capacity to 2041 and 2034 respectively. Closure activities occur on a stage by stage basis as the landfill reaches capacity. Post-closure activities will involve cover maintenance, groundwater and surface water monitoring and landfill gas monitoring. The monitoring and analysis costs remain consistent throughout the life of the waste management facility regardless of the number of active versus inactive stages as the same number of wells are monitored. Closure and post-closure costs are based on actual costs to complete those activities for the entire landfill for the 2016 year. Closure costs estimated below consist of the cost of closing the current stage on all open cells. Post-closure costs estimated below consist of maintenance and monitoring costs described above for both landfill sites. The landfills have an estimated remaining capacity of 182,242 cubic metres and 110,007 metric tonnes, respectively. It is estimated that the post-closure care will be required for a period of 25 years from closure.

	2016	2015
<b>Landfill Closure and Post-Closure Liabilities</b>		
Estimated closure costs	\$ 1,274,670	\$ 1,274,670
Estimated post-closure costs	3,937,601	3,937,601
Total estimated costs	5,212,271	5,212,271
Liability accrued	(140,524)	(108,660)
Balance of estimated closure and post-closure costs to accrue	\$ 5,071,747	\$ 5,103,611

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site.

## 9. Long-term Debt

	2016	2015
Developer agreement & levy payable to Alberta Capital Finance Authority, bearing interest at 3.406% per annum, maturing March 17, 2034	\$ 1,458,429	\$ 1,553,368

(continues)

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements  
Year Ended December 31, 2016

## 9. Long-term Debt (continued)

Principal repayment terms are approximately:

2017	\$	62,167
2018		64,302
2019		66,511
2020		68,796
2021		71,159
Thereafter		<u>1,125,494</u>
	\$	<u>1,458,429</u>

## 10. 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 Municipality be disclosed as follows:

	2016	2015
Total debt limit	\$102,726,666	\$112,302,333
Total debt	(1,458,429)	(1,553,368)
Amount of debt limit unused	101,268,237	110,748,965
Debt servicing limit	17,121,111	18,717,056
Debt servicing	(101,015)	(111,351)
	<u>\$118,288,333</u>	<u>\$129,354,670</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.

## 11. Equity in Tangible Capital Assets

	2016	2015
Tangible capital assets (Schedule 2)	\$ 468,932,354	\$ 459,129,455
Accumulated amortization (Schedule 2)	(171,346,706)	(157,110,519)
Long-term debt (Note 9)	(1,458,429)	(1,553,368)
	<u>\$ 296,127,219</u>	<u>\$ 300,465,568</u>

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

## 12. Accumulated Surplus

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

	2016	2015
Unrestricted surplus	<b>\$ 35,695,904</b>	\$ 30,350,928
Restricted - Water Treatment Plant	<b>10,275,540</b>	5,000,000
Equity in tangible capital assets	<b>297,585,648</b>	302,018,936
	<b>\$343,557,092</b>	\$337,369,864

## 13. Salaries 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:

	Salary	Benefits and Allowances	2016 Total	2015 Total
Paul Sinclair (Reeve)	\$ 91,000	\$ 6,979	<b>\$ 97,979</b>	\$ 97,297
Dollie Anderson (Deputy Reeve)	91,000	6,979	<b>97,979</b>	97,858
Marcel D. Auger	91,000	9,539	<b>100,539</b>	99,488
Leo Alook	91,000	8,339	<b>99,339</b>	98,288
Dwayne Calliou	91,000	9,539	<b>100,539</b>	99,488
Clarence Cardinal	91,000	5,924	<b>96,924</b>	96,538
Everett Gottfried	91,000	9,721	<b>100,721</b>	100,382
Gerald Johnson	91,000	7,692	<b>98,692</b>	98,564
Louie Okenow	91,000	8,339	<b>99,339</b>	99,182
Hal Taron	91,000	9,539	<b>100,539</b>	100,382
Roy Yellowknee	91,000	9,539	<b>100,539</b>	100,382
Helen Alook (CEO)	202,574	29,343	<b>231,917</b>	226,792
	<b>\$ 1,203,574</b>	<b>\$ 121,472</b>	<b>\$ 1,325,046</b>	<b>\$ 1,314,641</b>

Council salary includes regular base pay, gross honoraria and any other direct cash remuneration. Council benefits include:

- a) Employer's share of all benefits and contributions or payments made on behalf of employees, including health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans; and
- b) Allowances and the employer's share of the cost of additional taxable benefits, including special leave with pay, car and travel allowances, conferences and memberships.

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 14. Local Authorities Pension Plan

Employees of the Municipality 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 224,000 people and over 428 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 Municipality is required to make current service contributions to the LAPP of 11.39% (2015–11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2015 –15.84%) on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 10.39% (2015–10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2015 –14.84%) on pensionable salary above this amount.

Total current service contributions by the Municipality to the LAPP in 2016 were \$2,270,022 (2015 - \$2,207,287). Total current service contributions by the employees of the Municipality in 2016 were \$2,089,494 (2015 - \$2,031,420).

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 15. Commitments

The Municipality is committed to completion of the Wabasca Long Term Health Care Facility project. As of December 31, 2016, the Municipality has incurred \$36,800 in project-related costs (2015 – \$Nil). The balance of costs committed to complete the project stands at \$22.5 Million.

The Municipality is committed to completion of the Red Earth Expand Landfill Cell project. As of December 31, 2016, the Municipality has incurred \$770,459 in project-related costs (2015 – \$Nil). The balance of costs committed to complete the project stands at \$1,229,541.

The Municipality is committed to completion of the Red Earth Industrial Drive North – Rebuild project. As of December 31, 2016, the Municipality has incurred \$1,073,817 in project-related costs (2015 – \$93,239). The balance of costs committed to complete the project stands at \$681,763.

The Municipality is committed to completion of the New IT Centre Rebuild project. As of December 31, 2016, the Municipality has incurred \$340,346 in project-related costs (2015 – \$Nil). The balance of costs committed to complete the project stands at \$1,659,654.

The Municipality is committed to completion of the Wabasca Opportunity Drive Lift Station project. As of December 31, 2016, the Municipality has incurred \$2,170,761 in project-related costs (2015 – \$2,142,960). The balance of costs committed to complete the project stands at less than \$100,000.

The Municipality is committed to completion of the Wabasca New Main Lift Station project. As of December 31, 2016, the Municipality has incurred \$1,169,948 in project-related costs (2015 – \$246,656). The balance of costs committed to complete the project stands at less than \$100,000.

The Municipality is committed to completion of the Calling Lake Sewage Lagoon project. As of December 31, 2016, the Municipality has incurred \$1,709,038 in project-related costs (2015 – \$516,097). The balance of costs committed to complete the project stands at \$5,601,279.

The Municipality is committed to completion of the Wabasca Opportunity Child Care project. As of December 31, 2016, the Municipality has incurred \$6,953,446 in project-related costs (2015 – \$6,403,043). The balance of costs committed to complete the project stands at \$196,597.

The Municipality is committed to completion of the Sandy Lake Microfiltration project. As of December 31, 2016, the Municipality has incurred \$257,679 in project-related costs (2015 – \$88,709). The balance of costs committed to complete the project stands at \$6,395,266.

The Municipality is committed to completion of the Wabasca Rodeo Cultural Grounds project. As of December 31, 2016, the Municipality has incurred \$1,582,809 in project-related costs (2015 – \$986,068). The balance of costs committed to complete the project stands at less than \$100,000.

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

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## 16. Contingencies

The Municipality is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of membership, the Municipality could become liable for its proportionate share of any claim losses claimed 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 Municipality is involved in claims and potential claims arising in the normal course of operations as at December 31, 2016. The outcome of any claims cannot be determined until they are completed. Any settlements, awards or determination of loss will be reflected in the accounts as the matters are resolved.

## 17. Segmented Disclosure

The Municipality provides a wide range of services to its taxpayers. Segment disclosures are intended to enable its users to better understand the government reporting entity and the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

(a) **General Government** consists of corporate administration and general municipal services for the Municipality.

(b) **Protective Services** is comprised of police, traffic safety, bylaw enforcement, fire rescue and ambulance service.

(c) **Transportation Services** include bus, roadway and parking services.

(d) **Environmental Use and Protection** delivers services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, underground services, water and wastewater treatment, as well as community relation services in support of waste management programs.

(e) **Planning and Development** is comprised of the Community Development Branch, the Comprehensive Planning branch and the Safety Codes branch.

(f) **Recreation and Culture** develops initiatives to provide opportunities and support in the areas of arts heritage and culture, and in recreation, sport and leisure.

(g) **Public Health and Welfare** provides family and community support services along with cemeteries.

(h) **Subsidiary Entity** include the Municipality District of Opportunity No. 17 Housing and Development Corporation.

The accounting policies used in the segment disclosure are consistent with those followed in the preparation of the consolidated financial statements (Note 1)

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements  
Year Ended December 31, 2016

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## **18. Comparative Figures**

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

## **19. Budget Figures**

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

## **20. Approval of Financial Statements**

These financial statements were approved by management and presented to Council on April 26, 2017.

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Notes to Financial Statements

Year Ended December 31, 2016

## 21. Prior period restatements

In the course of preparing the financial statements for the fiscal year ended December 31, 2016, management determined there was an error in the valuation of inventory for consumption. Management also determined that the Municipal District of Opportunity Housing Development Corporation is required to be consolidated into the total operations. As a result the Municipality has made the following restatements.

	As previously restated	Adjustment	As restated
<b>Consolidated Statement of Financial Position</b>			
Cash and cash equivalents	\$ 11,134,342	\$ 386,428	\$ 11,520,770
Trade and other receivables	1,672,609	40,542	1,713,151
Inventory for consumption	289,583	357,857	647,440
Tangible capital assets	295,670,938	6,347,998	302,018,936
Accounts payable and accrued liabilities	5,699,239	65,539	5,764,778
Accumulated surplus	330,660,436	6,709,428	337,369,864
<b>Net Financial Assets</b>	<b>\$ 33,844,260</b>	<b>\$ 361,431</b>	<b>\$ 34,205,691</b>
<b>Statement of Operations</b>			
Other revenue	\$ 466,304	\$ 263,711	\$ 730,015
Housing operations	-	376,845	376,845

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Changes in Accumulated Surplus

(Schedule 1)

For the Year Ended December 31, 2016

	Unrestricted Surplus	Restricted Capital Reserves	Equity in Tangible Capital Assets	2016	2015
Balance, beginning of year	\$ 30,350,928	\$ 5,000,000	\$302,018,936	\$337,369,864	\$325,082,281
Annual surplus	6,187,228	-	-	6,187,228	12,287,583
Amortization of tangible capital assets	14,236,187	-	(14,236,187)	-	-
Transfer to restricted capital reserves	(24,040,918)	5,275,540	18,765,378	-	-
Transfer of land held for resale	(436,836)	-	436,836	-	-
Interest earned on restricted capital reserves	(54,000)	-	54,000	-	-
Write-down of tangible capital assets	766,518	-	(766,518)	-	-
Current year funds used for tangible capital assets	8,781,736	-	(8,781,736)	-	-
Long-term debt repaid	(94,939)	-	94,939	-	-
<b>Balance, end of year</b>	<b>\$ 35,695,904</b>	<b>\$ 10,275,540</b>	<b>\$297,585,648</b>	<b>\$343,557,092</b>	<b>\$337,369,864</b>

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Tangible Capital Assets

(Schedule 2)

For the Year Ended December 31, 2016

	Land	Work In Progress	Buildings	Engineered Structures	Machinery and Equipment	Furniture	Vehicles	2016	2015
<b>Cost</b>									
Balance, beginning of year	\$ 1,581,529	\$ 14,709,147	\$ 90,067,428	\$ 322,487,352	\$ 15,558,597	\$ 47,967	\$ 14,677,436	\$ 459,129,455	\$ 453,189,112
Acquisition of tangible capital assets	83,384	9,279,694	188,805	293,487	752,385	35,406	1,412,318	12,045,478	9,555,010
Transfer of completed projects	728,105	(2,787,353)	556,139	1,503,110	-	-	-	-	-
Disposal of tangible capital assets	-	(1,476,062)	(766,518)	-	-	-	-	(2,242,580)	(3,614,667)
<b>Balance, end of year</b>	<b>\$ 2,393,018</b>	<b>\$ 19,725,426</b>	<b>\$ 90,045,854</b>	<b>\$ 324,283,949</b>	<b>\$ 16,310,982</b>	<b>\$ 83,373</b>	<b>\$ 16,089,754</b>	<b>\$ 468,932,353</b>	<b>\$ 459,129,455</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	\$ -	\$ -	\$ 15,736,546	\$ 128,710,675	\$ 7,242,445	\$ -	\$ 5,420,853	\$ 157,110,519	\$ 144,912,127
Annual amortization	-	-	2,015,421	9,676,875	1,177,881	-	1,366,010	14,236,187	14,126,397
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(1,928,005)
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,751,967</b>	<b>\$ 138,387,550</b>	<b>\$ 8,420,326</b>	<b>\$ -</b>	<b>\$ 6,786,863</b>	<b>\$ 171,346,706</b>	<b>\$ 157,110,519</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 2,393,018</b>	<b>\$ 19,725,425</b>	<b>\$ 72,293,887</b>	<b>\$ 185,896,399</b>	<b>\$ 7,890,656</b>	<b>\$ 83,373</b>	<b>\$ 9,302,891</b>	<b>\$ 297,585,648</b>	<b>\$ 302,018,936</b>
<b>2015 Net book value of tangible capital assets</b>	<b>\$ 1,581,529</b>	<b>\$ 14,709,147</b>	<b>\$ 74,330,882</b>	<b>\$ 193,776,677</b>	<b>\$ 8,316,152</b>	<b>\$ 47,967</b>	<b>\$ 9,256,582</b>		

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Net Municipal Taxes

(Schedule 3)

For the Year Ended December 31, 2016

	Budget (Note 19) 2016	2016	2015
<b>Taxation</b>			
Real property taxes	\$ 32,689,650	\$ 29,681,718	\$ 32,712,248
Linear property	44,040,000	42,705,312	46,356,597
	\$ 76,729,650	\$ 72,387,030	\$ 79,068,845
<b>Requisitions</b>			
Alberta School Foundation Fund	\$ 10,219,500	\$ 10,560,405	\$ 10,092,911
Senior lodges	210,200	202,846	206,077
Housing	600,000	200,000	200,000
	-	-	-
	\$ 11,029,700	\$ 10,963,251	\$ 10,498,988
<b>Net municipal taxes</b>	\$ 65,699,950	\$ 61,423,779	\$ 68,569,857

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Government Transfers  
For the Year Ended December 31, 2016

(Schedule 4)

	Budget (Note 19) 2016	2016	2015
<b>Transfers for operating total</b>	\$ 1,459,542	\$ 1,176,827	\$ 860,525
<b>Transfers for capital total</b>	\$ 1,456,542	\$ 2,711,186	\$ 1,782,479
<b>Total government transfers</b>	\$ 2,916,084	\$ 3,888,013	\$ 2,643,004

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Expenses by Object  
For the Year Ended December 31, 2016

(Schedule 5)

	Budget (Note 19) 2016	2016	2015
<b>Expenses by object</b>			
Salaries wages and benefits	\$ 34,425,931	\$ 29,060,879	\$ 29,654,573
Contracted and general services	20,551,022	13,710,523	12,912,551
Materials, goods, supplies and utilities	8,956,082	5,850,934	5,365,679
Provision for allowances	328,486	331,141	292,862
Transfers to local boards and agencies	2,867,303	1,099,635	1,975,748
Bank charges and short-term interest	40,417	47,585	93,207
Interest on operating long-term debt	51,214	51,214	98,859
Amortization for tangible capital assets	14,802,300	14,010,882	13,856,508
Housing Operations	1,163,052	1,088,396	376,843
	\$ 83,185,807	\$ 65,251,189	\$ 64,626,830

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Segmented Disclosure

(Schedule 6)

For the Year Ended December 31, 2016

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and Development	Recreation and Culture	Public Health and Welfare	Subsidiary - Housing Corp	2016
<b>Revenues</b>									
Net municipal taxes	\$ 61,423,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,423,779
Government transfers	-	696,756	173,276	103,084	-	2,555,998	358,899	-	3,888,013
User fees and sales of goods	3,044	73,346	(16,130)	2,393,359	84,072	103,945	1,446,774	-	4,088,410
Investment income	432,394	-	-	-	-	-	-	-	432,394
Other revenues	572,237	848	1,676	5,847	307,286	366,409	108,732	242,786	1,605,821
<b>Revenues total</b>	<b>\$ 62,431,454</b>	<b>\$ 770,950</b>	<b>\$ 158,822</b>	<b>\$ 2,502,290</b>	<b>\$ 391,358</b>	<b>\$ 3,026,352</b>	<b>\$ 1,914,405</b>	<b>\$ 242,786</b>	<b>\$ 71,438,417</b>
<b>Expenses</b>									
Salaries, wages and benefits	\$ 3,780,388	\$ 1,760,213	\$ 8,406,398	\$ 3,785,345	\$ 773,984	\$ 7,298,711	\$ 3,191,129	\$ -	\$ 28,996,168
Contracted and general services	2,390,330	2,864,238	3,333,755	2,238,637	411,750	555,474	1,928,186	61,586	13,783,956
Materials, goods, supplies and utilities	160,838	211,382	1,434,128	1,181,041	481,082	2,035,801	378,643	34,988	5,917,903
Transfers to local boards and agencies	576,843	12,000	-	78,413	63,518	229,358	139,504	-	1,099,635
Interest on long-term debt	51,214	-	-	-	-	-	-	-	51,214
Other expenses	365,270	1,012	2,265	1,683	49	1,980	27,349	766,518	1,166,125
	<b>\$ 7,324,883</b>	<b>\$ 4,848,845</b>	<b>\$ 13,176,546</b>	<b>\$ 7,285,119</b>	<b>\$ 1,730,383</b>	<b>\$ 10,121,324</b>	<b>\$ 5,664,811</b>	<b>\$ 863,092</b>	<b>\$ 51,015,001</b>

(continues)

See notes to consolidated financial statements

# MUNICIPAL DISTRICT OF OPPORTUNITY NO.17

Consolidated Schedule of Segmented Disclosure *(continued)*

*(Schedule 6)*

**For the Year Ended December 31, 2016**

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and Development	Recreation and Culture	Public Health and Welfare	Subsidiary - Housing Corp	<b>2016</b>
<b>Annual surplus (deficit) before amortization of tangible capital assets</b>	\$ 55,106,571	\$ (4,077,895)	\$ (13,017,723)	\$ (4,782,829)	\$ (1,339,024)	\$ (6,981,838)	\$ (3,750,406)	\$ (620,306)	<b>20,536,550</b>
<b>Amortization of tangible capital assets</b>	\$ 172,891	\$ 378,037	\$ 8,659,078	\$ 2,565,533	\$ 169,868	\$ 2,003,012	\$ 62,464	\$ 225,304	<b>14,236,187</b>
<b>Annual Surplus (deficit)</b>	\$ 54,933,680	\$ (4,455,932)	\$ (21,676,801)	\$ (7,348,361)	\$ (1,508,892)	\$ (9,097,986)	\$ (3,812,870)	\$ (845,610)	<b>6,187,228</b>
<b>2015 Annual Surplus (deficit)</b>	\$ 61,506,231	\$ (3,675,834)	\$ (22,101,057)	\$ (8,011,880)	\$ (1,671,937)	\$ (9,940,206)	\$ (3,704,600)	\$ (113,134)	<b>12,287,583</b>

See notes to consolidated financial statements