

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Financial Statements
Year Ended December 31, 2018

Draft for discussion purposes only

SUMMER VILLAGE OF ROSS HAVEN
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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of Ross Haven

We have audited the accompanying consolidated financial statements of Summer Village of Ross Haven, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian 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 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.

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 Summer Village of Ross Haven 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.

Edmonton, Alberta

**Seniuk and Company,
Chartered Accountants**

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Statement of Financial Position
December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash (Note 2)	\$ 343,279	\$ 191,889
Temporary investments (Notes 2, 3.)	1,024,723	1,016,436
Taxes and grants in place of taxes receivable (Note 4)	-	4,787
Grants and receivables from other governments (Note 5)	13,512	128,911
Interest receivable	2,057	708
	\$ 1,383,571	\$ 1,342,731
LIABILITIES		
Accounts payable	\$ 8,272	\$ 14,012
Long term debt (Note 8)	-	2,673
Deferred income (Note 7)	621,336	587,972
	629,608	604,657
NET FINANCIAL ASSET (DEBT)	753,963	738,074
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	2,904,212	2,798,380
ACCUMULATED SURPLUS	\$ 3,658,175	\$ 3,536,454

On behalf of Council

_____ Councilor

_____ Councilor

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Statement of Operations
Year Ended December 31, 2018

	Budget		
	2018	2018	2017
REVENUE			
Net municipal taxes (Schedule 1)	\$ 282,065	\$ 283,478	\$ 283,074
User fees and sale of goods	3,600	6,044	6,458
Government transfers for operating (Note 14)	30,397	19,444	18,508
Investment income	5,000	6,595	4,015
Penalties and costs of taxes	2,000	1,921	695
Total revenue	323,062	317,482	312,750
EXPENSES			
Administration and legislative	72,126	86,987	73,780
Protective services	20,340	23,362	17,531
Roads, streets, walks and lighting	50,100	61,950	63,849
Water supply and distribution	3,240	5,787	4,747
Wastewater treatment and disposal	28,750	5,076	-
Waste management	33,700	31,218	27,932
Family and community support	7,676	7,117	11,578
Land use planning, zoning and development	5,040	8,193	4,774
Parks and recreation	38,350	24,363	45,217
Libraries, museums and halls	2,890	2,988	2,889
Total operating expenses	262,212	257,041	252,297
Excess (deficiency) of revenue over expenses before other	60,850	60,441	60,453
OTHER			
Government transfers for capital (Schedule 2)	103,093	104,706	230,412
Amortization	-	(49,426)	(44,456)
Gain on disposal of assets	-	6,000	-
	103,093	61,280	185,956
EXCESS OF REVENUE OVER EXPENSES	163,943	121,721	246,409
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	3,536,454	3,290,045
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 3,658,175	\$ 3,536,454

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2018

	2018	2017
Excess of revenue over expenses	\$ 121,721	\$ 246,409
Acquisition of tangible capital assets	(155,258)	(230,413)
Proceeds on disposal of tangible capital assets	6,000	-
Amortization of tangible capital assets	49,426	44,456
(Gain) loss on disposal of assets	(6,000)	-
(INCREASE) DECREASE IN NET DEBT	15,889	60,452
Net financial assets (debt), beginning of year	738,074	677,622
NET ASSETS - END OF YEAR	\$ 753,963	\$ 738,074

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Statement of Cash Flows
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 121,721	\$ 246,409
Items not affecting cash:		
Gain on disposal of assets	(6,000)	-
Amortization	49,426	44,456
	165,147	290,865
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	4,787	(312)
Interest receivable	(1,349)	770
Grants and receivables from other governments	115,399	(125,105)
Accounts payable	(5,740)	2,415
Deferred income	33,364	(110,807)
	146,461	(233,039)
Cash flow from operating activities	311,608	57,826
INVESTING ACTIVITIES		
Purchase of capital assets	(155,258)	(230,413)
Proceeds on disposal of capital assets	6,000	-
Cash flow used by investing activities	(149,258)	(230,413)
FINANCING ACTIVITY		
Repayment of long term debt	(2,673)	(6,417)
INCREASE (DECREASE) IN CASH FLOW	159,677	(179,004)
Cash - beginning of year	1,208,324	1,387,328
CASH - END OF YEAR (Note 2)	\$ 1,368,001	\$ 1,208,324

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN**Consolidated Schedule of Property and Other Taxes****(Schedule 1)****Year Ended December 31, 2018**

	Budget 2018	2018	2017
TAXATION			
Real property tax	\$ 413,124	\$ 419,030	\$ 414,468
Special assessments	28,750	28,750	28,750
	441,874	447,780	443,218
REQUISITIONS			
Alberta school foundation	147,673	151,573	147,673
Seniors' housing requisition	12,136	12,729	12,471
	159,809	164,302	160,144
NET MUNICIPAL TAXES	\$ 282,065	\$ 283,478	\$ 283,074

Consolidated Schedule of Government Transfers**(Schedule 2)****Year Ended December 31, 2018****TRANSFERS FOR OPERATING**

Provincial Government	\$ 30,397	\$ 19,444	\$ 18,508
	30,397	19,444	18,508

TRANSFERS FOR CAPITAL

Provincial Government	103,093	104,706	230,412
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TOTAL GOVERNMENT TRANSFERS	\$ 133,490	\$ 124,150	\$ 248,920
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Consolidated Schedule of Consolidated Expenditures by Object**(Schedule 3)****Year Ended December 31, 2018****EXPENSES**

Salaries, wages & benefits	\$ 86,600	\$ 79,414	\$ 83,646
Contracted and general services	157,622	133,823	130,262
Materials, goods and utilities	14,600	40,783	35,239
Transfer to local boards and agencies	2,890	2,988	2,889
Interest on long term	500	32	261

Total Consolidated Expenditures by Object	\$ 262,212	\$ 257,040	\$ 252,297
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The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN

**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	Total
REVENUE								
Net municipal taxes	\$ 283,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,478
Government transfers	7,000	-	1,444	-	2,300	-	8,700	19,444
User fees and sales of goods	3,681	-	-	2,364	-	-	-	6,045
Investment income	6,543	-	-	-	-	-	-	6,543
Other revenues	1,972	-	-	-	-	-	-	1,972
	302,674	-	1,444	2,364	2,300	-	8,700	317,482
EXPENSES								
Contract and general services	73,254	23,362	3,797	8,193	368	17,733	7,117	133,824
Salaries and wages	6,301	-	24,348	-	24,417	24,348	-	79,414
Materials, goods and utilities	7,011	-	33,772	-	-	-	-	40,783
Transfers to local boards	-	-	-	-	2,988	-	-	2,988
Long term debt interest	-	-	32	-	-	-	-	32
	86,566	23,362	61,949	8,193	27,773	42,081	7,117	257,041
Excess (deficiency) of revenue over expenses before other	216,108	(23,362)	(60,505)	(5,829)	(25,473)	(42,081)	1,583	60,441
OTHER								
Amortization	(463)	-	(37,693)	-	(4,131)	(7,139)	-	(49,426)
Government transfers for capital	-	-	104,706	-	-	-	-	104,706
Gain (loss) on disposal of capital assets	-	-	-	-	6,000	-	-	6,000
	(463)	-	67,013	-	1,869	(7,139)	-	61,280
EXCESS OF REVENUE OVER EXPENSES	\$ 215,645	\$ (23,362)	\$ 6,508	\$ (5,829)	\$ (23,604)	\$ (49,220)	\$ 1,583	\$ 121,721

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN

Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2018

(Schedule 5)

	Unrestricted Surplus	General Restricted Surplus	Lagoon & Wastewater Restricted Surplus	Equity in Tangible Capital Assets	2018	2017
BALANCE, BEGINNING OF YEAR	\$ 347,371	\$ 105,000	\$ 288,377	\$ 2,795,706	\$ 3,536,454	\$ 3,290,045
Excess (deficiency) of revenues over expenses	121,721	-	-	-	121,721	246,409
Current year funds used for tangible capital assets	(155,258)	-	-	155,258	-	-
Annual amortization expense	49,426	-	-	(49,426)	-	-
Principle repayments on long term debt	(2,673)	-	-	2,673	-	-
Transfer to/from reserves	(28,750)	-	28,750	-	-	-
	(15,534)	-	28,750	108,505	121,721	246,409
BALANCE, END OF YEAR	\$ 331,837	\$ 105,000	\$ 317,127	\$ 2,904,211	\$ 3,658,175	\$ 3,536,454

Draft for discussion purposes only

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Ross Haven 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 Summer 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 Summer Village of Ross Haven (the "Summer Village"). The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Summer Village and are; therefore, accountable to the Summer 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.

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SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

Tax Revenue

Annually, the Summer 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 Summer Village Council in accordance with legislation and Summer Village Council approved policies to raise the tax revenue required to meet the Summer 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 Summer 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).

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.

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SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

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.

(a) 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 Changes in Net Financial Assets (Debt) for the year.

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SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

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 - 20 years
Buildings	25 years
Machinery and equipment	10 years
Motor vehicles	10 years
Engineered structures - Roadways	20 - 25 years
Engineered structures - Wastewater system	45 years

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.

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.

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.

2. CASH AND TEMPORARY INVESTMENTS

	2018	2017
Cash	\$ 343,279	\$ 191,889
Temporary investments -unrestricted portion	409,401	307,706
Temporary investments - restricted portion	615,321	708,729
	\$ 1,368,001	\$ 1,208,324

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

Included in cash are restricted amounts received from municipal grants and are held exclusively for future approved projects. (Note 7)

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

3. MARKETABLE SECURITIES

	2018 Cost	2018 Market value	2017 Cost	2017 Market value
Short term note due August 2019 #0012	\$ 101,304	\$ 101,304	-	-
Short term note due December 2019 #0034	821,560	821,560	-	-
Short term note due December 2019 #0035	101,859	101,859	-	-
Short term note due December 2018 #0029	-	-	101,000	101,000
Short term note due December 2018 #0030	-	-	101,000	101,000
Short term note due December 2018 #0031	-	-	101,000	101,000
Short term note due December 2018 #0032	-	-	101,000	101,000
Short term note due December 2018 #0033	-	-	6,636	6,636
Short term note due August 2018 #0012	-	-	100,800	100,800
Short term note due December 2018 #0024	-	-	101,000	101,000
Short term note due December 2018 #0025	-	-	101,000	101,000
Short term note due December 2018 #0026	-	-	101,000	101,000
Short term note due December 2018 #0027	-	-	101,000	101,000
Short term note due December 2018 #0028	-	-	101,000	101,000
	\$ 1,024,723	\$ 1,024,723	\$ 1,016,436	\$ 1,016,436

Short term notes and deposits have effective interest rates of .050% to 1.80% (2017 – 0.85%) and mature in less than one year. See Note 2 for the breakdown between the restricted and unrestricted portions.

4. TAXES RECEIVABLES

Taxes receivable are comprised of:

	2018	2017
Current taxes and grants in place of taxes	\$ -	\$ 2,156
Arrears taxes and grants in place of taxes	-	2,631
	\$ -	\$ 4,787

5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2018	2017
Grants receivable	\$ -	\$ 112,041
Goods and Services Tax refundable	13,512	16,870
	\$ 13,512	\$ 128,911

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 2,094,041	\$ -	\$ 2,094,041	\$ 2,094,041
Land improvements	104,735	58,695	46,040	51,549
Engineered structures	1,669,592	1,235,395	434,197	337,021
Buildings	423,452	158,951	264,501	281,119
Machinery and equipment	120,152	75,898	44,254	8,765
Motor vehicles	47,062	25,883	21,179	25,885
	\$ 4,459,034	\$ 1,554,822	\$ 2,904,212	\$ 2,798,380

The net book value of the tangible capital assets at year end also represents the amount of equity in tangible capital assets.

Equity in tangible capital assets equals the tangible capital assets balance.

7. DEFERRED REVENUE

Deferred revenue is comprised of:

	2018	2017
Basic Municipal Transportation Grant	\$ 25,674	\$ 25,674
Federal Gas Tax Fund	129,806	115,981
Municipal Sustainability Initiative - Capital	459,463	438,661
Family and Community Support Services	-	378
Prepaid property taxes	6,393	7,278
	\$ 621,336	\$ 587,972

Municipal Sustainability Initiative - Capital and Basic Municipal Transportation Grant

Funding from the Provincial Government was allocated to the Summer Village in the current year from the Municipal Sustainability Initiative - Capital and Basic Municipal Transportation Grant. The grant funding is restricted to eligible capital projects, as approved under the funding agreements, which are scheduled for completion in the next few years. Unexpended funds related to the advance less amounts receivable from the Provincial Government are supported by restricted cash held exclusively for these projects (refer to Note 2).

Federal Gas Tax Fund

Funding from the Provincial Government was allocated to the Summer Village in the current year from the Federal Gas Tax Fund and is restricted to eligible capital projects as approved under the funding agreement. Funds from this grant are being deferred for a future project. Unexpended funds related to the advance are supported by restricted cash held exclusively for this project (refer to Note 2).

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

8. LONG TERM DEBT

	2018	2017
Royal Bank of Canada loan bearing interest at prime plus 1.5% per annum, repayable in monthly blended payments of \$538. The loan matured on June 15, 2018 and was secured by 2013 GMC Sierra Truck.	\$ -	\$ 2,673

Interest on long term debt amounted to \$ 32 (2017 - \$ 261).

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 Summer Village of Ross Haven be disclosed as follows:

	2018	2017
Total debt limit	\$ 476,223	\$ 469,125
Total debt	-	(2,673)
Amount of debt limit unused	476,223	466,452
Debt servicing limit	79,371	78,188
Debt servicing	-	(2,703)
Amount of debt servicing limit unused	\$ 79,371	\$ 75,485

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. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2018	2017
Tangible capital assets (Note 6)	\$ 4,459,034	\$ 4,323,715
Accumulated amortization (Note 6)	(1,554,822)	(1,525,336)
Long term debt (Note 8)	-	(2,673)
	\$ 2,904,212	\$ 2,795,706

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

11. SEGMENTED DISCLOSURE

The Summer Village of Ross Haven 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).

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. Belland	\$ 2,475	\$ -	\$ 2,475	\$	3,600	
N. Tezlaff	1,050	-	1,050		2,550	
J. Ruitter	2,775	-	2,775		2,100	
Chief Administrative Officer	39,960	-	39,960		36,000	
	\$ 46,260	\$ -	\$ 46,260	\$	44,250	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. 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.

13. FINANCIAL INSTRUMENTS

The Summer 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 summer 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.

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SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

13. FINANCIAL INSTRUMENTS *(continued)*

Fair value

The summer 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 summer village for debt with similar terms.

14. LITIGATION

Two residents of the summer village filed a claim against the municipality for compensation in regards to damage to their land in the amount of \$200,000 each. The summer village has referred the matter to their solicitors which is now currently handled entirely by the municipality's insurance company. The insurance adjustor has indicated that these claims will be denied. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

15. CONTINGENT LIABILITY

The municipality is a member of the Munix Reciprocal Insurance Exchange. Under the terms of the membership, the municipality 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.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

17. COMPARATIVE FIGURES

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

18. BUDGET AMOUNTS

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