

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Financial Statements
Year Ended December 31, 2019

SUMMER VILLAGE OF ROSS HAVEN
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Year Ended December 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of Ross Haven is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Summer Village's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Summer Village Council carries out its responsibilities for review of the consolidated financial statements principally through its council meetings. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Summer Village Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Seniuk and Company, Chartered Professional Accountants, independent external auditors appointed by the Summer Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

The consolidated financial statements have been audited on behalf of the members of council by Seniuk and Company, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.



Mr. Tony Sonnleitner, CAO

Gunn, Alberta
April 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of Ross Haven

Opinion

We have audited the consolidated financial statements of Summer Village of Ross Haven (the Summer Village), which comprise the consolidated statement of financial position as at December 31, 2019, 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 consolidated financial position of the Summer Village as at December 31, 2019, and the consolidated results of its operations and consolidated 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 Summer Village in accordance with 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 these 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 PSAS, 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 Summer Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Summer Village or to cease operations, or has no realistic alternative but to do so.

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

(continues)

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 Summer 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 Summer 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 Summer 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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Summer Village's debt limit can be found in Note 8.

- Supplementary Accounting Principles and Standards Regulation (Salary and Benefit Disclosure):

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 10.


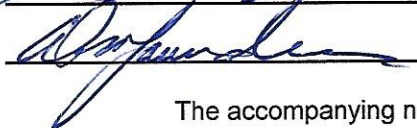
Edmonton, Alberta
April 18, 2020


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

SUMMER VILLAGE OF ROSS HAVEN
Consolidated Statement of Financial Position
December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash (Note 2)	\$ 365,232	\$ 343,279
Temporary investments (Notes 2, 3.)	1,041,884	1,024,723
Taxes and grants in place of taxes receivable (Note 4)	2,573	-
Grants and receivables from other governments (Note 5)	80,716	13,512
Interest receivable	2,057	2,057
	\$ 1,492,462	\$ 1,383,571
LIABILITIES		
Accounts payable	\$ 6,633	\$ 8,271
Deferred income (Note 7)	733,206	621,336
	739,839	629,607
NET FINANCIAL ASSET (DEBT)	752,623	753,964
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	2,931,849	2,904,212
ACCUMULATED SURPLUS	\$ 3,684,472	\$ 3,658,176

On behalf of Council


 _____ Mayor

 _____ 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, 2019

	Budget		
	2019	2019	2018
REVENUE			
Net municipal taxes (Schedule 1)	\$ 283,802	\$ 285,004	\$ 283,478
User fees and sale of goods	4,400	3,302	6,044
Government transfers for operating (Note 12)	16,141	24,562	19,444
Investment income	8,000	22,947	6,595
Penalties and costs of taxes	500	2,338	1,921
Total revenue	312,843	338,153	317,482
EXPENSES			
Administration and legislative	87,400	94,616	86,987
Protective services	30,000	25,999	23,362
Roads, streets, walks and lighting	64,800	60,089	61,950
Water supply and distribution	34,000	7,218	5,787
Wastewater treatment and disposal	7,200	5,076	5,076
Waste management	32,000	31,747	31,218
Family and community support	12,000	9,693	7,117
Land use planning, zoning and development	8,500	6,010	8,193
Parks and recreation	32,000	37,416	24,363
Libraries, museums and halls	2,890	2,988	2,988
Total operating expenses	310,790	280,852	257,041
Excess (deficiency) of revenue over expenses before other	2,053	57,301	60,441
OTHER			
Government transfers for capital (Schedule 2)	103,093	-	104,706
Amortization	-	(49,547)	(49,426)
Gain on disposal of assets	-	21,042	6,000
Legal settlement (Note 12)	-	(2,500)	-
	103,093	(31,005)	61,280
EXCESS OF REVENUE OVER EXPENSES	105,146	26,296	121,721
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	3,658,176	3,536,455
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 3,684,472	\$ 3,658,176

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, 2019

	2019	2018
Excess of revenue over expenses	\$ 26,296	\$ 121,721
Acquisition of tangible capital assets	(95,517)	(155,258)
Proceeds on disposal of tangible capital assets	39,375	6,000
Amortization of tangible capital assets	49,547	49,426
(Gain) loss on disposal of assets	(21,042)	(6,000)
(INCREASE) DECREASE IN NET DEBT	(1,341)	15,889
Net financial assets (debt), beginning of year	753,964	738,075
NET ASSETS - END OF YEAR	\$ 752,623	\$ 753,964

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, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 26,296	\$ 121,721
Items not affecting cash:		
Gain on disposal of assets	(21,042)	(6,000)
Amortization	49,547	49,426
	54,801	165,147
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	(2,573)	4,787
Interest receivable	-	(1,349)
Grants and receivables from other governments	(67,204)	115,399
Accounts payable	(1,637)	(5,740)
Deferred income	111,870	33,364
	40,456	146,461
Cash flow from operating activities	95,257	311,608
INVESTING ACTIVITIES		
Purchase of capital assets	(95,517)	(155,258)
Proceeds on disposal of capital assets	39,375	6,000
Cash flow used by investing activities	(56,142)	(149,258)
FINANCING ACTIVITY		
Repayment of long term debt	-	(2,673)
INCREASE IN CASH FLOW	39,115	159,677
Cash - beginning of year	1,368,001	1,208,324
CASH - END OF YEAR (Note 2)	\$ 1,407,116	\$ 1,368,001

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, 2019**

	Budget 2019	2019	2018
TAXATION			
Real property tax	\$ 419,341	\$ 420,517	\$ 419,030
Special assessments	28,750	28,625	28,750
	448,091	449,142	447,780
REQUISITIONS			
Alberta school foundation	151,560	151,538	151,573
Seniors' housing requisition	12,729	12,600	12,729
	164,289	164,138	164,302
NET MUNICIPAL TAXES	\$ 283,802	\$ 285,004	\$ 283,478

Consolidated Schedule of Government Transfers**(Schedule 2)****Year Ended December 31, 2019****TRANSFERS FOR OPERATING**

Provincial Government	\$ 16,141	\$ 24,562	\$ 19,444
	16,141	24,562	19,444

TRANSFERS FOR CAPITAL

Provincial Government	103,093	-	104,706
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TOTAL GOVERNMENT TRANSFERS	\$ 119,234	\$ 24,562	\$ 124,150
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Consolidated Schedule of Consolidated Expenditures by Object**(Schedule 3)****Year Ended December 31, 2019****EXPENSES**

Salaries, wages & benefits	\$ 84,500	\$ 85,689	\$ 79,415
Contracted and general services	186,300	154,788	133,823
Materials, goods and utilities	37,100	37,385	40,783
Transfer to local boards and agencies	2,890	2,988	2,988
Interest and bank charges	-	2	32

Total Consolidated Expenditures by Object	\$ 310,790	\$ 280,852	\$ 257,041
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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, 2019**

(Schedule 4)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 285,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,004
Government transfers	11,046	-	-	6,570	-	-	6,946	24,562
User fees and sales of goods	1,818	-	-	1,485	-	-	-	3,303
Investment income	22,947	-	-	-	-	-	-	22,947
Other revenues	2,338	-	-	-	-	-	-	2,338
	323,153	-	-	8,055	-	-	6,946	338,154
EXPENSES								
Contract and general services	77,347	25,999	4,575	6,010	12,270	18,894	9,693	154,788
Salaries and wages	9,196	-	25,147	-	26,202	25,147	-	85,692
Materials, goods and utilities	7,019	-	30,365	-	-	-	-	37,384
Transfers to local boards	-	-	-	-	2,988	-	-	2,988
Bank charges and interest	-	-	2	-	-	-	-	2
	93,562	25,999	60,089	6,010	41,460	44,041	9,693	280,854
Excess (deficiency) of revenue over expenses before other	229,591	(25,999)	(60,089)	2,045	(41,460)	(44,041)	(2,747)	57,300
OTHER								
Amortization	(463)	-	(36,569)	-	(4,131)	(8,383)	-	(49,546)
Gain (loss) on disposal of capital assets	-	-	-	-	21,042	-	-	21,042
Lawsuit settlement (Note 12)	-	-	-	-	-	-	(2,500)	(2,500)
	(463)	-	(36,569)	-	16,911	(8,383)	(2,500)	(31,004)
EXCESS OF REVENUE OVER EXPENSES	\$ 229,128	\$ (25,999)	\$ (96,658)	\$ 2,045	\$ (24,549)	\$ (52,424)	\$ (5,247)	\$ 26,296

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, 2019

(Schedule 5)

	Unrestricted Surplus	General Restricted Surplus	Lagoon & Wastewater Restricted Surplus	Equity in Tangible Capital Assets	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 331,837	\$ 105,000	\$ 317,127	\$ 2,904,212	\$ 3,658,176	\$ 3,536,455
Excess (deficiency) of revenues over expenses	26,296	-	-	-	26,296	121,721
Disposal net of proceeds on tangible capital assets	18,333	-	-	(18,333)	-	-
Current year funds used for tangible capital assets	(95,517)	-	-	95,517	-	-
Annual amortization expense	49,547	-	-	(49,547)	-	-
	(1,341)	-	-	27,637	26,296	121,721
BALANCE, END OF YEAR	\$ 330,496	\$ 105,000	\$ 317,127	\$ 2,931,849	\$ 3,684,472	\$ 3,658,176

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, 2019

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.

(continues)

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

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.

(*continues*)

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

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.

(*continues*)

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

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

	2019	2018
Cash	\$ 365,232	\$ 343,279
Temporary investments - unrestricted portion	242,215	409,401
Temporary investments - restricted portion	799,669	615,321
	\$ 1,407,116	\$ 1,368,001

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, 2019

3. TEMPORARY INVESTMENTS

	2019 Cost	2019 Market value	2018 Cost	2018 Market value
Short term note due August 2019	\$ -	\$ -	\$ 101,304	\$ 101,304
Short term note due December 2019	-	-	821,560	821,560
Short term note due December 2019	-	-	101,859	101,859
Short term note due July 2020	101,805	101,805	-	-
Short term note due June 2020	940,040	940,040	-	-
	\$ 1,041,845	\$ 1,041,845	\$ 1,024,723	\$ 1,024,723

Short term notes and deposits have an effective interest rate of 2% (2018 – 1%) 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:

	2019	2018
Current taxes and grants in place of taxes	\$ 2,573	\$ -

5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2019	2018
Grants receivable	\$ 69,792	\$ -
Goods and Services Tax refundable	10,924	13,512
	\$ 80,716	\$ 13,512

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 2,094,041	\$ -	\$ 2,094,041	\$ 2,094,041
Land improvements	104,735	64,203	40,532	46,040
Engineered structures	1,702,128	1,251,877	450,251	434,197
Buildings	423,452	175,569	247,883	264,501
Machinery and equipment	129,372	83,516	45,856	44,254
Motor vehicles	60,082	6,796	53,286	21,179
	\$ 4,513,810	\$ 1,581,961	\$ 2,931,849	\$ 2,904,212

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.

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

7. DEFERRED REVENUE

Deferred revenue is comprised of:

	2019	2018
Basic Municipal Transportation Grant	\$ 25,674	\$ 25,674
Federal Gas Tax Fund	157,886	129,806
Municipal Sustainability Initiative - Capital	542,887	459,463
Prepaid property taxes	3,329	6,393
Other Grants	3,430	-
	\$ 733,206	\$ 621,336

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).

8. 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:

	2019	2018
Total debt limit	\$ 507,230	\$ 476,223
Amount of debt limit unused	507,230	476,223
Debt servicing limit	84,538	79,371
Amount of debt servicing limit unused	\$ 84,538	\$ 79,371

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.

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

9. 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).

10. 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:

			2019	2018
	Salary (1)	Benefits & allowances (2)	Total	Total
L. Belland	\$ 3,800	\$ 793	\$ 4,593	\$ 2,475
N. Tezlaff	1,300	-	1,300	1,050
J. Ruitter	1,100	-	1,100	2,775
B. Saunders	300	-	300	-
B. Stonehouse	1,600	-	1,600	-
Chief Administrative Officer	48,490	-	48,490	39,960
	\$ 56,590	\$ 793	\$ 57,383	\$ 46,260

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.

11. 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.

(continues)

SUMMER VILLAGE OF ROSS HAVEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

11. 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.

12. LITIGATION

In the prior year 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 had referred the matter to their solicitors which was handled entirely by the municipality's insurance company. During the year the claim was settled at the cost of the insurance deductible of \$2,500.

13. 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.

14. CONTAMINATED SITES LIABILITY

The municipality has adopted PS3260 Liability for Contaminated Sites. The municipality did not identify any financial liabilities in 2019 (2018 – Nil) as a result of this standard.

15. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

16. COMPARATIVE FIGURES

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

17. BUDGET AMOUNTS

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