

SUMMER VILLAGE OF ROSS HAVEN
Financial Statements
Year Ended December 31, 2024

SUMMER VILLAGE OF ROSS HAVEN

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Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the financial statements.

Management reports directly to Council on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

Prior to their submission to Council, the financial statements have been reviewed and recommended for approval by management. The financial statements have been audited by the independent firm of Seniuk and Marcato, Chartered Professional Accountants. Their report to the Council, stating their opinion, basis for opinion, other information, responsibilities of management and those charged with governance for the financial statements, and auditors' responsibilities for the audit of the financial statements, follows.



Mr. Tony Sonhleitner, CAO

Spruce Grove, Alberta
April 10, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of Ross Haven

Opinion

We have audited the financial statements of Summer Village of Ross Haven (the "municipality"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Financial Statements* section of our report. We are independent of the municipality in accordance with ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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:

(continues)

Independent Auditor's Report to the Members of Council of Summer Village of Ross Haven (*continued*)

- Identify and assess the risks of material misstatement of the 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 municipality'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 municipality'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 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 municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta
April 10, 2025


Seniuk and Marcato,
Chartered Professional Accountants

SUMMER VILLAGE OF ROSS HAVEN

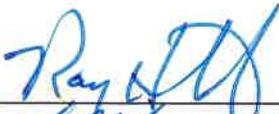
Statement of Financial Position

December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 310,569	\$ 65,097
Restricted cash	167,212	167,909
Term deposits (Note 3)	-	252,091
Current taxes and grants in place of taxes (Note 4)	9,629	3,223
Grants and receivables from other governments (Note 5)	507,280	413,105
Trade and other receivables	25	5,293
	994,715	906,718
LIABILITIES		
Accounts payable	9,177	14,564
Deferred income (Note 7)	652,409	566,738
	661,586	581,302
NET FINANCIAL ASSETS	333,129	325,416
NON-FINANCIAL ASSETS		
Prepaid expenses	2,060	-
Tangible capital assets (Note 6)	3,266,511	3,286,672
	3,268,571	3,286,672
ACCUMULATED SURPLUS	\$ 3,601,700	\$ 3,612,088

COMMITMENTS (Note 13)

APPROVED ON BEHALF OF COUNCIL



Mayor



Councilor

SUMMER VILLAGE OF ROSS HAVEN
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2024

	Budget 2024	Total 2024	Total 2023
REVENUES			
Net municipal taxes (Schedule 1)	\$ 396,450	\$ 397,933	\$ 378,777
User fees	2,000	2,362	7,271
Government transfers for operating (Schedule 2)	22,964	30,164	21,278
Investment income	2,500	7,135	25,343
Penalties and costs of taxes	-	1,531	3,093
	423,914	439,125	435,762
EXPENSES			
Administration and legislative	191,506	110,409	104,097
Protective services	48,489	43,884	44,228
Roads, streets, walks and lighting	115,900	123,501	114,392
Water supply and distribution	72,635	122,533	215,201
Land use planning, zoning and development	8,195	5,610	10,163
Recreation and culture	10,100	43,577	39,005
	446,825	449,514	527,086
ANNUAL DEFICIT	(22,911)	(10,389)	(91,324)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	3,612,088	3,612,088	3,703,412
ACCUMULATED SURPLUS - END OF YEAR	\$ 3,589,177	\$ 3,601,700	\$ 3,612,088

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Statement of Changes in Net Financial Assets
Year Ended December 31, 2024

	Budget 2024	2024	2023
ANNUAL DEFICIT	\$ (22,911)	\$ (10,389)	\$ (91,324)
Amortization of tangible capital assets	62,400	64,793	63,985
Purchase of tangible capital assets	-	(44,631)	(20,773)
Decrease (increase) in prepaid expenses	-	(2,060)	-
	62,400	18,102	43,212
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	39,489	7,713	(48,112)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	325,416	325,416	373,528
NET FINANCIAL ASSETS - END OF YEAR (Note 2)	\$ 364,905	\$ 333,129	\$ 325,416

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN**Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Annual deficit for the year	\$ (10,389)	\$ (91,324)
Item not affecting cash:		
Amortization	64,791	63,985
	54,402	(27,339)
Changes in non-cash working capital:		
Interest receivable	-	(3,858)
Grants and receivables from other governments	(94,175)	(61,344)
Current taxes and grants in place of taxes	(6,406)	509
Accounts payable	(5,385)	(595,133)
Deferred income	85,671	74,365
Prepaid expenses	(2,060)	-
Trade and other receivables	5,268	-
	(17,087)	(585,461)
Cash flow from (used by) operating activities	37,315	(612,800)
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(44,631)	(20,773)
Cash flow used by capital activities	(44,631)	(20,773)
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash	697	(10,258)
Decrease (increase) in term deposits	252,091	210,258
Cash flow from investing activities	252,788	200,000
INCREASE (DECREASE) IN CASH FLOW	245,472	(433,573)
Cash - beginning of year	65,097	498,670
CASH - END OF YEAR (Note 2)	\$ 310,569	\$ 65,097
CASH CONSISTS OF:		
Cash	\$ 310,569	\$ 65,097

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Schedule of Property and Other Taxes
Year Ended December 31, 2024

(Schedule 1)

	Budget (Unaudited) 2024	2024	2023
TAXATION			
Real property tax	\$ 519,314	\$ 521,872	\$ 486,030
Special assessments	56,450	56,210	62,425
	575,764	578,082	548,455
REQUISITIONS			
Alberta school foundation	163,226	164,061	156,469
Seniors' housing requisition	16,088	16,088	13,209
	179,314	180,149	169,678
NET MUNICIPAL TAXES	\$ 396,450	\$ 397,933	\$ 378,777

Schedule of Government Transfers
Year Ended December 31, 2024

(Schedule 2)

TRANSFERS FOR OPERATING			
Provincial Government	\$ 22,964	\$ 30,164	\$ 21,278
	\$ 22,964	\$ 30,164	\$ 21,278

Schedule of Expenditures by Object
Year Ended December 31, 2024

(Schedule 3)

EXPENSES			
Salaries, wages & benefits	\$ 12,600	\$ 104,093	\$ 88,695
Contracted and general services	232,525	219,569	315,714
Materials, goods and utilities	52,400	54,250	52,052
Transfer to local boards and agencies	4,900	6,811	6,640
Amortization	62,400	64,791	63,985
Total Expenditures by Object	\$ 364,825	\$ 449,514	\$ 527,086

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN

Schedule of Changes in Accumulated Surplus

(Schedule 4)

Year Ended December 31, 2024

	Unrestricted Surplus	General Restricted Surplus	Lagoon & Wastewater Restricted Surplus	Equity in Tangible Capital Assets	2024 Total	2023 Total
BALANCE, BEGINNING OF YEAR	\$ 11,403	\$ 105,000	\$ 209,015	\$ 3,286,671	\$ 3,612,089	\$ 3,703,413
Excess (deficiency) of revenues over expenses	(10,389)	-	-	-	(10,389)	(91,324)
Current year funds used for tangible capital assets	(44,631)	-	-	44,631	-	-
Annual amortization expense	64,791	-	-	(64,791)	-	-
	9,771	-	-	(20,160)	(10,389)	(91,324)
BALANCE, END OF YEAR	\$ 21,174	\$ 105,000	\$ 209,015	\$ 3,266,511	\$ 3,601,700	\$ 3,612,089

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN

Schedule of Segmented Disclosure

Year Ended December 31, 2024

(Schedule 5)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 397,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,933
Government transfers	17,078	-	-	-	13,086	-	-	30,164
User fees and sales of goods	3,058	-	-	835	-	-	-	3,893
Investment income	7,135	-	-	-	-	-	-	7,135
	425,204	-	-	835	13,086	-	-	439,125
EXPENSES								
Contract and general services	89,246	43,884	6,793	5,610	2,795	71,241	-	219,569
Salaries and wages	12,612	-	30,494	-	30,494	30,495	-	104,093
Materials, goods and utilities	8,421	-	45,829	-	-	-	-	54,250
Transfers to local boards	-	-	-	-	6,811	-	-	6,811
Amortization	130	-	40,385	-	3,478	20,798	-	64,791
	110,409	43,884	123,501	5,610	43,578	122,534	-	449,514
Excess (deficiency) of revenue over expenses before other	\$ 314,795	\$ (43,884)	\$ (123,501)	\$ (4,775)	\$ (30,492)	\$ (122,534)	\$ -	\$ (10,389)

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF ROSS HAVEN
Schedule of Tangible Capital Assets
(Schedule 6)
Year Ended December 31, 2024

	Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
For the year ended December 31, 2024				
Cost				
Land	\$ 2,094,041	\$ -	\$ -	\$ 2,094,041
Land improvements	138,835	-	-	138,835
Engineered structures	2,245,697	42,896	20,773	2,309,366
Buildings	423,452	-	-	423,452
Motor vehicles	60,082	-	-	60,082
Machinery and equipment	131,865	1,735	-	133,600
Assets under construction	20,773	-	(20,773)	-
	5,114,745	44,631	-	5,159,376
Accumulated Amortization				
Land improvements	(89,780)	(6,795)	-	(96,575)
Buildings	(242,042)	(16,618)	-	(258,660)
Machinery and equipment	(105,957)	(5,028)	-	(110,985)
Motor vehicles	(30,513)	(5,376)	-	(35,889)
Engineered structures	(1,359,781)	(30,975)	-	(1,390,756)
	(1,828,073)	(64,792)	-	(1,892,865)
Net Book Value	\$ 3,286,672	\$ (20,161)	\$ -	\$ 3,266,511

For the year ended December 31, 2023

Cost				
Land	\$ 2,094,041	\$ -	\$ -	\$ 2,094,041
Land improvements	138,835	-	-	138,835
Engineered structures	2,245,697	-	-	2,245,697
Buildings	423,452	-	-	423,452
Motor vehicles	60,082	-	-	60,082
Machinery and equipment	131,865	-	-	131,865
Assets under construction	-	20,773	-	20,773
	5,093,972	20,773	-	5,114,745
Accumulated Amortization				
Land improvements	(82,332)	(7,448)	-	(89,780)
Buildings	(225,424)	(16,617)	-	(242,041)
Machinery and equipment	(101,019)	(4,938)	-	(105,957)
Motor vehicles	(24,821)	(5,693)	-	(30,514)
Engineered structures	(1,330,492)	(29,289)	-	(1,359,781)
	(1,764,088)	(63,985)	-	(1,828,073)
Net Book Value	\$ 3,329,884	\$ (43,212)	\$ -	\$ 3,286,672

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year which are shown in their respective asset classifications.

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Ross Haven (the Municipality) are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). It is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA). Significant aspects of the accounting policies adopted by the Municipality are as follows:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

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 or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided, or the tangible capital assets are acquired.

Tax Revenue

Annually, the Municipality 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 the Municipality Council in accordance with legislation and the Municipality Council approved policies to raise the tax revenue required to meet the Municipality'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 Schedule of Property and Other Taxes.

The Municipality 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 Schedule of Property and Other Taxes (Schedule 1).

Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

(continues)

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

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

Segment disclosures

The Schedule of Segment Disclosures – Schedule 5 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

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

Segments include:

- a) Transportation Services includes roadway and parking services.
- b) Protective Services is comprised of police, traffic safety, bylaw enforcement and fire rescue.
- c) Recreation and Culture includes parks and recreation, community and family services, planning and corporate properties and public housing.
- d) General Government includes municipal administration and council governance.
- e) Planning and Development includes related services for the betterment of the municipality.
- f) Environmental Services include water, sewage, and garbage services.

Use of Estimates

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the municipality's best information and judgment. Actual results could differ from these estimates.

Significant estimates include:

- estimated accrued receivables;
- the estimated useful lives of assets;
- estimated accrued payables.

Financial instruments

PS3450, Financial Instruments, 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. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

Cash and Short Term Investments

Cash and cash equivalents consist of cash on deposit, bankers' acceptances, treasury bills and commercial paper, at cost, which approximates market value. These cash equivalents generally mature within 90 days from the date of purchase, are capable of reasonably prompt liquidation and may be used to manage the Municipality's cash position throughout the year.

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SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

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

Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest bearing securities 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.

Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from other orders of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future. The Municipality receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the Municipality are recognized as revenues when the transfers are authorized and all the eligibility criteria, if any, has been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received along with restricted interest thereon are recorded as deferred revenue.

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the transfer has been authorized and the eligibility criteria, if any, have been met by the recipient. The majority of transfers made by the Municipality are in the form of tangible capital assets, grants and subsidies.

Loans Receivable

Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances.

Land Inventory for Resale

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

Local Improvements

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the MGA to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owners' share of the improvement is recognized as revenue and established as a receivable in the period that the project expenditures are completed.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

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SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

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

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

The municipality regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into 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.

Impairment of Long Lived Assets

The municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Non-Financial Assets

Non-financial assets are not available to discharge 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. Non-financial assets include tangible capital assets, inventory of materials and supplies, and other assets.

Debt Charges Recoverable

Debt recoverable consists of long term debt amounts borrowed that are recoverable under loans or other financial arrangements made to non-profit organizations. These debt recoverable amounts are recorded at a value equivalent to the offsetting outstanding long term debt balances as at December 31. Loans are recorded at the lower of cost and net recoverable value. A valuation allowance in the debt recoverable is recognized when there is no longer any reasonable assurance of collection.

Deferred Revenue

Deferred revenue comprises funds received in advance of services performed or where the use of funds is externally restricted. These amounts are recognized as revenue in the period the service is performed or when the funds are used for the purpose specified. When agreements stipulate that interest earned on contributions should be restricted for a specific purpose that interest is treated as a contribution received and recorded as an addition to deferred revenue.

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SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

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

Deposits

Deposits are held for the purposes of securing the compliance of a third party to contractual stipulations. Deposits are returned when compliance with contractual stipulations is determined. Deposits are recognized as revenue when a third party defaults on the contractual stipulations that the deposits were securing against.

Long-term Debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently, measured at amortized cost.

Reserves and Equity in Tangible Capital Assets

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets after deducting the portion financed by long term debt.

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.

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.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Municipality to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

(continues)

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

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

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Contaminated Sites Liability

Contaminated sites are the result of a chemical, organic or radioactive material or live organism in amounts that exceed an environmental standard being introduced into soil, water or sediment. The Municipality recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Municipality is directly responsible or accepts responsibility for the contamination,
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Municipality's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Municipality's best estimate, as of December 31, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. When cash flows are expected to occur over extended future periods the Municipality will measure the liability using present value techniques. This liability is reported in in the Statement of Financial Position.

2. CASH, TEMPORARY INVESTMENTS, AND RESTRICTED CASH

	2024	2023
Cash and temporary investments	\$ 310,569	\$ 65,097
Restricted cash	167,212	167,909
	\$ 477,781	\$ 233,006

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

Restricted amounts received from municipal grants and are held exclusively for future approved projects and not included as part of the municipality's cash as noted above. (Note 7.)

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

3. TERM DEPOSITS

	2024 Cost	2024 Market value	2023 Cost	2023 Market value
1 Year term deposit maturing on September 6, 2024 at 4% per annum	\$ -	\$ -	\$ 420,000	\$ 420,000
1 Year term deposit maturing on December 5, 2023 at 3.25% per annum	-	-	-	-
1 Year term deposit maturing on December 5, 2023 at 3.25% per annum	-	-	-	-
	\$ -	\$ -	\$ 420,000	\$ 420,000

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

Taxes and grants in place of taxes receivable are comprised of:

	2024	2023
Current taxes and grants in place of taxes	\$ 6,788	\$ 3,223
Arrears taxes and grants in place of taxes	415	-
Taxes under-levy	2,426	-
	\$ 9,629	\$ 3,223

5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2024	2023
Canada Community-Building Fund	\$ 112,910	\$ 100,570
Local Government Fiscal Framework - Capital	80,072	-
Municipal Sustainability Initiative - Capital	305,892	305,892
Subtotal	498,874	406,462
Goods and Services Tax refundable	8,406	6,643
	\$ 507,280	\$ 413,105

SUMMER VILLAGE OF ROSS HAVEN**Notes to Financial Statements****Year Ended December 31, 2024****6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 2,094,041	\$ -	\$ 2,094,041	\$ 2,094,041
Land improvements	138,835	96,575	42,260	49,055
Engineered structures	2,309,365	1,390,758	918,607	885,916
Buildings	423,452	258,660	164,792	181,410
Machinery and equipment	133,600	110,982	22,618	25,908
Motor vehicles	60,082	35,889	24,193	29,569
Assets under construction	-	-	-	20,773
	\$ 5,159,375	\$ 1,892,864	\$ 3,266,511	\$ 3,286,672

For additional information see the Schedule of Tangible Capital Assets. (Schedule 6). One-half of the annual amortization is charged in the year of acquisition.

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

7. DEFERRED REVENUE

Deferred revenue is comprised of:

2024	2023 Balance	Allocations	Disbursements	2024 Balance
Grant Funding				
Canada Community-Building Fund \$	232,187	\$ 17,812	\$ -	\$ 249,999
Municipal Sustainability Initiative - Capital	282,517	-	-	282,517
Local Government Fiscal Framework - Capital	-	80,072	-	80,072
Basic Municipal Transportation Grant	25,674	-	-	25,674
Other grants	10,618	6,417	(12,585)	4,450
	550,996	104,301	(12,585)	642,712
Other Deferred Revenue				
Prepaid Taxes	9,329	1,546	-	9,697
Taxes over-levy	6,413	-	(6,413)	-
	\$ 566,738	\$ 105,847	\$ (18,998)	\$ 652,409

2023	2022 Balance	Allocations	Disbursements	2023 Balance
Grant Funding				
Canada Community-Building Fund	217,171	15,016	-	232,187
Municipal Sustainability Initiative - Capital	236,683	45,834	-	282,517
Basic Municipal Transportation Grant	25,674	-	-	25,674
Other grants	-	10,618	-	10,618
	479,528	71,468	-	550,996
Other Deferred Revenue				
Prepaid Taxes	12,844	-	(3,515)	9,329
Taxes over-levy	-	6,413	-	6,413
	492,372	77,881	(3,515)	566,738

Grant funding is comprised of the funds noted above and is allocated to the Municipality by the Provincial Government as approved by the individual restricted funding agreements. These grants are restricted to specific projects that must be approved per the agreement and are scheduled for completion in the next few years. These funds are recognized as revenue in the period they are used for the purpose specified. Unexpended funds related to the advances, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

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:

	2024	2023
Total debt limit	\$ 658,688	\$ 653,643
Total debt	-	-
Amount of debt limit unused	658,688	653,643
Debt servicing limit	109,781	108,941
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 109,781	\$ 108,941

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.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2024	2023
Tangible capital assets (Note 6.)	\$ 5,159,375	\$ 5,114,746
Accumulated amortization (Note 6.)	(1,892,864)	(1,828,074)
	\$ 3,266,511	\$ 3,286,672

10. 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).

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

11. 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:

			2024	2023
	Salary (1)	Benefits & allowances (2)	Total	Total
L.Chadd - Deputy Mayor	\$ 3,800	\$ -	\$ 3,800	\$ 2,200
D. Brandt - Councillor	3,300	-	3,300	4,200
R. Hutschal - Mayor	3,700	-	3,700	3,800
Chief Administrative Officer	51,906	-	51,906	52,770
Designated Officers (9)	19,715	-	19,715	13,595
	\$ 82,421	\$ -	\$ 82,421	\$ 76,565

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.

12. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and cash equivalents investments, accounts receivable, investments, accounts payable and accrued liabilities. It is management's opinion that the Municipality is not exposed to significant currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Municipality manages risk exposure on these items similar to other receivables and payables

The municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2024.

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Municipality will be unable to meet its financial obligations as they come due. The Municipality is exposed to this risk through its accounts payable, long-term debt, and lease obligations. This risk is influenced by the timing and collection of property taxes and other municipal revenues. If taxpayers delay or default on payments, it could impact the Municipality's cash flow and ability to fund operations.

(continues)

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

12. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the Municipality's financial position, potentially increasing borrowing costs or reducing investment income. This risk can indirectly impact taxpayers through higher future funding requirements. The Municipality is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the municipality is not exposed to significant other risks arising from these financial instruments.

13. COMMITMENTS

The municipality has the following commitments:

The municipality entered into an enforcement services agreement with Lac Ste. Anne County for a five-year term beginning 2023. Under this agreement, Lac Ste. Anne County will provide up to 35 hours of enforcement services per calendar year to the Summer Village, subject to the availability of peace officers.

The municipality is also a member of the North 43 Lagoon Commission (the "Commission"), which provides wastewater services to participating municipalities. In 2023, construction of a new wastewater system dedicated to the municipality was fully completed at a total cost of \$3,172,100. Beginning in 2023 and continuing for the next 25 years, the municipality is committed to repaying its share of the debenture and interest, totaling \$469,821 at \$18,793 per year.

Total future minimum payments of all commitments are as follows:

2025	\$	24,162
2026		24,300
2027		24,442
2028		18,793
2029		18,793
Thereafter		<u>338,271</u>
	\$	<u>448,761</u>

14. CONTAMINATED SITES LIABILITY

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2024 (2023 – Nil) as a result of this standard.

15. ASSET RETIREMENT OBLIGATIONS

The Municipality has adopted PS3280 Asset Retirement Obligations. The Municipality did not identify any financial liabilities in 2024 (2023 – Nil) as a result of this standard.

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.

SUMMER VILLAGE OF ROSS HAVEN

Notes to Financial Statements

Year Ended December 31, 2024

18. BUDGET AMOUNTS

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