

**SUMMER VILLAGE OF YELLOWSTONE**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2019**

**SUMMER VILLAGE OF YELLOWSTONE**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management of the Summer Village of Yellowstone 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, 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 (PSAS).

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Ms. Wendy Wildman, CAO

Alberta Beach, Alberta  
April 17, 2020

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council of Summer Village of Yellowstone

### *Opinion*

We have audited the consolidated financial statements of Summer Village of Yellowstone (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 (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 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.

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*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 7.

- 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 9.

Edmonton, Alberta  
April 17, 2020

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

**SUMMER VILLAGE OF YELLOWSTONE**  
**Consolidated Statement of Financial Position**  
**December 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 724,195	\$ 428,486
Taxes and grants in place of taxes <i>(Note 3)</i>	31,559	29,734
Grants and receivables from other governments <i>(Note 4)</i>	7,886	215,729
Trade and other receivables	7,624	-
	<b>\$ 771,264</b>	<b>\$ 673,949</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 26,528	\$ 13,532
Deferred income <i>(Note 6)</i>	225,101	152,231
	<b>251,629</b>	<b>165,763</b>
<b>NET FINANCIAL ASSET (DEBT)</b>	<b>519,635</b>	<b>508,186</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 5)</i>	548,358	554,435
Prepaid expenses	390	390
	<b>548,748</b>	<b>554,825</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 1,068,383</b>	<b>\$ 1,063,011</b>

**On behalf of Council**

\_\_\_\_\_ Mayor

\_\_\_\_\_ CAO

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2019**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>REVENUE</b>			
Net municipal taxes (Schedule 1)	\$ 287,126	\$ 287,100	\$ 293,878
User fees and sale of goods	150	145	200
Government transfers for operating (Schedule 2)	20,557	45,961	23,855
Investment income	5,000	9,125	8,088
Penalties and costs of taxes	8,000	9,122	8,966
Franchise fees	2,500	2,840	2,708
Fines	100	-	77
Other	-	-	140
<b>Total revenue</b>	<b>323,433</b>	<b>354,293</b>	<b>337,912</b>
<b>EXPENSES</b>			
Administration and legislative	106,848	105,329	97,716
Police services	12,578	11,315	10,229
Fire service	16,000	15,814	15,857
Roads, streets, walks and lighting	45,500	43,939	44,470
Wastewater treatment and disposal (Note 12)	34,700	72,428	203,514
Waste management	31,500	32,318	30,666
Family and community support	6,580	6,580	6,580
Land use planning, zoning and development	10,400	9,223	9,677
Parks and recreation	44,000	39,397	35,106
<b>Total operating expenses</b>	<b>308,106</b>	<b>336,343</b>	<b>453,815</b>
<b>Excess (deficiency) of revenue over expenses before other</b>	<b>15,327</b>	<b>17,950</b>	<b>(115,903)</b>
<b>OTHER</b>			
Government transfers for capital	259,000	5,300	167,992
Amortization	-	(17,878)	(21,261)
	259,000	(12,578)	146,731
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>274,327</b>	<b>5,372</b>	<b>30,828</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>1,063,011</b>	<b>1,032,183</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 1,068,383</b>	<b>\$ 1,063,011</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2019**

	2019	2018
<b>Excess (Shortfall) of Revenues Over Expenses</b>	<b>\$ 5,372</b>	<b>\$ 30,828</b>
Acquisition of tangible capital assets	<b>(11,800)</b>	-
Amortization of tangible capital assets	<b>17,877</b>	21,261
	<b>11,449</b>	52,089
Use of prepaids	-	\$ (390)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>11,449</b>	51,699
Net financial assets (debt), beginning of year	<b>508,186</b>	456,487
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 519,635</b>	<b>\$ 508,186</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 5,372	\$ 30,828
Item not affecting cash:		
Amortization	17,878	21,261
	<b>23,250</b>	52,089
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	(1,825)	(7,714)
Trade and other receivables	(7,624)	1,654
Grants and receivables from other governments	207,843	(43,403)
Accounts payable	12,995	(50,475)
Prepaid expenses	-	(390)
Deferred grant revenue	70,944	(50,183)
Prepaid property tax	1,926	-
	<b>284,259</b>	(150,511)
Cash flow from (used by) operating activities	<b>307,509</b>	(98,422)
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(11,800)	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>295,709</b>	(98,422)
Cash - beginning of year	428,486	526,908
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 724,195</b>	\$ 428,486

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2019**

**(Schedule 1)**

	Budget (Unaudited) 2019	2019	2018
<b>TAXATION</b>			
Real property tax	\$ 276,166	\$ 274,214	\$ 279,922
Linear property taxes	3,194	3,194	3,113
Special assessments	105,180	105,180	108,513
	384,540	382,588	391,548
<b>REQUISITIONS</b>			
Alberta School Foundation	90,073	88,147	90,073
Seniors' housing requisition	7,341	7,341	7,597
	97,414	95,488	97,670
<b>NET MUNICIPAL TAXES</b>	\$ 287,126	\$ 287,100	\$ 293,878

**Consolidated Schedule of Government Transfers**

**(Schedule 2)**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 15,293	\$ 45,961	\$ 23,855
Other Local Governments	5,264	-	-
	20,557	45,961	23,855
		45,961	
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	259,000	5,300	167,992
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 279,557	\$ 51,261	\$ 191,847

**Consolidated Schedule of Consolidated Expenditures by Object**

**(Schedule 3)**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 12,600	\$ 10,117	\$ 13,702
Contracted and general services	273,606	301,176	416,157
Materials, goods and utilities	19,900	24,461	23,367
Transfer to local boards and agencies	2,000	589	589
<b>Total Consolidated Expenditures by Object</b>	\$ 308,106	\$ 336,343	\$ 453,815

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**

**Consolidated Schedule of Segmented Disclosure**

**Year Ended December 31, 2019**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
<b>REVENUE</b>								
Net municipal taxes	\$ 287,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,100
Government transfers - operating	36,074	-	-	4,623	5,264	-	-	45,961
User fees and sale of goods	145	-	-	-	-	-	-	145
Investment income	9,125	-	-	-	-	-	-	9,125
Other revenues	11,962	-	-	-	-	-	-	11,962
	344,406	-	-	4,623	5,264	-	-	354,293
<b>EXPENSES</b>								
Contract & general services	91,022	27,132	26,806	11,723	43,388	99,756	-	299,827
Salaries & wages	10,116	-	-	-	-	-	-	10,116
Materials, goods & utilities	1,688	-	18,133	-	-	3,990	-	23,811
Transfers to local boards	-	-	-	-	2,589	-	-	2,589
	102,826	27,132	44,939	11,723	45,977	103,746	-	336,343
<b>Excess (deficiency) of revenue over expenses before other</b>	241,580	(27,132)	(44,939)	(7,100)	(40,713)	(103,746)	-	17,950
<b>OTHER</b>								
Amortization	(10,360)	-	(2,296)	-	(4,122)	(1,100)	-	(17,878)
Government transfers - capital	-	-	5,300	-	-	-	-	5,300
	(10,360)	-	3,004	-	(4,122)	(1,100)	-	(12,578)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 231,220	\$ (27,132)	\$ (41,935)	\$ (7,100)	\$ (44,835)	\$ (104,846)	\$ -	\$ 5,372

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**

**Consolidated Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2019**

*(Schedule 5)*

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	<b>Total 2019</b>	Total 2018
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 69,759	\$ 88,339	\$ 350,477	\$ 554,436	\$ <b>1,063,011</b>	\$ 1,032,183
Excess (deficiency) of revenues over expenses	5,372	-	-	-	<b>5,372</b>	30,828
Current year funds used for tangible capital assets	(11,800)	-	-	11,800	-	-
Annual amortization expense	17,878	-	-	(17,878)	-	-
Net transfers to/from reserves	(29,529)	17,794	11,735	-	-	-
	(18,079)	17,794	11,735	(6,078)	<b>5,372</b>	30,828
<b>BALANCE, END OF YEAR</b>	\$ 51,680	\$ 106,133	\$ 362,212	\$ 548,358	\$ <b>1,068,383</b>	\$ 1,063,011

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Yellowstone 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 Yellowstone (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.

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on 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).

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**SUMMER VILLAGE OF YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Debt Charges Recoverable

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

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

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

Inventories for Resale

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

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.

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**SUMMER VILLAGE OF YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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

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 has 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.

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	10 - 25 years
Buildings	50 years
Machinery and equipment	5 - 20 years
Motor vehicles	10 years
Engineered structures	10 - 75 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.

2. CASH AND TEMPORARY INVESTMENTS

	<b>2019</b>	2018
Cash	\$ 502,505	\$ 428,486
Restricted cash	<b>221,690</b>	-
	<b>\$ 724,195</b>	\$ 428,486

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

Included in cash (in the prior year) are restricted amounts received from Municipal grants and are held exclusively for future approved projects. (Note 6)

**SUMMER VILLAGE OF YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	<b>2019</b>	2018
Current taxes and grants in place of taxes	\$ 25,237	\$ 23,414
Arrears taxes and grants in place of taxes	6,322	6,320
	<b>\$ 31,559</b>	<b>\$ 29,734</b>

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	<b>2019</b>	2018
Municipal Sustainability Initiative - Capital	\$ -	\$ 196,135
Federal Gas Tax Fund	-	12,556
Subtotal	-	208,691
Goods and Services Tax refundable	7,886	7,038
	<b>\$ 7,886</b>	<b>\$ 215,729</b>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2019 Net book value</b>	2018 Net book value
Land	\$ 272,094	\$ -	<b>\$ 272,094</b>	\$ 272,094
Land improvements	65,850	52,841	<b>13,009</b>	15,999
Engineered structures	335,229	185,333	<b>149,896</b>	157,643
Buildings	137,261	43,424	<b>93,837</b>	90,017
Machinery and equipment	41,806	36,641	<b>5,165</b>	8,525
Motor vehicles	11,000	7,095	<b>3,905</b>	5,005
Assets under construction	10,452	-	<b>10,452</b>	5,152
	<b>\$ 873,692</b>	<b>\$ 325,334</b>	<b>\$ 548,358</b>	<b>\$ 554,435</b>

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 YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	<b>2019</b>	2018
Municipal Sustainability Initiative - Capital	\$ 221,689	\$ 149,632
Subtotal	<b>221,689</b>	149,632
Requisition over-levy	<b>1,926</b>	-
Prepaid taxes	<b>1,486</b>	2,599
	<b>\$ 225,101</b>	\$ 152,231

**Municipal Sustainability Initiative - Capital**

The Municipal Sustainability Initiative - Capital is restricted to eligible capital projects as approved under the funding agreement. Funds from this grant are being deferred for future capital projects. Unexpended funds (less grants receivable) related to the advance are supported by restricted cash held exclusively for these projects (refer to Note 2).

7. 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 Yellowstone be disclosed as follows:

	<b>2019</b>	2018
Total debt limit	\$ 531,440	\$ 758,855
Total debt	-	-
Amount of debt limit unused	<b>531,440</b>	758,855
Debt servicing limit	<b>88,573</b>	126,476
Debt servicing	-	-
Amount of debt servicing limit unused	<b>\$ 88,573</b>	\$ 126,476

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 YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

8. SEGMENTED DISCLOSURE

The Summer Village of Yellowstone provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 4).

9. 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:

			<b>2019</b>		<b>2018</b>	
	Salary (1)	Benefits & allowances (2)	<b>Total</b>		<b>Total</b>	
A. Solesbury - Councilor	\$ -	\$ -	\$ -	\$	3,650	
R. Purdy - Councilor	4,683	-	<b>4,683</b>		4,484	
B. Shewaga - Councilor	4,183	-	<b>4,183</b>		4,275	
D. Bauer - Councilor	4,525	-	<b>4,525</b>		2,150	
Chief Administrative Officer	47,764	-	<b>47,764</b>		45,864	
Designated Officers	17,030	-	<b>17,030</b>		16,851	
	<b>\$ 78,185</b>	<b>\$ -</b>	<b>\$ 78,185</b>	<b>\$</b>	<b>77,274</b>	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Administrative services are paid via contract for the Chief Administrative Officer and designated officers.
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.

**SUMMER VILLAGE OF YELLOWSTONE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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10. 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 fulfill their obligations. The municipality is subject to credit risk with respect to taxes and grants, in place of taxes receivable and trade, and other receivables. The large number and diversity of taxpayers and customers minimizes the credit risk.

Fair value

The 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.

11. 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.

12. COMMITMENT

The Summer Village is committed to the West Inter-Lake District (WILD) Regional Water Services Commission project (the "Commission") to provide water supply services to participating municipalities. Phase I construction is complete and operational and Phase II construction is 95% complete and operational. The Commission has received funding approval for Phase III and Phase IV construction phases. All participating municipalities are committed to contribute their proportionate share of construction costs when construction begins on the next phases. At this time, these costs are unknown and it is expected members will be required to contribute their prorated share in 2021; however, actual construction has commenced in 2020.

The Summer Village's share of costs is \$1,912 (2018 - \$4,457).

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

14. BUDGET AMOUNTS

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