

Summer Village of Yellowstone

Financial Statements

December 31, 2022

Summer Village of Yellowstone

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of Yellowstone (the "Organization") is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Organization's financial position as at December 31, 2022 and the results of its operations for the year then ended.

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

The 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 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 financial statements.

The Organization Council carries out its responsibilities for review of the financial statements principally through its meeting with management. This Council meets regularly with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

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

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

Kim Hanlan

Chief Administrative Officer

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council

Opinion

We have audited the financial statements of the Summer Village of Yellowstone (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the results of its operations, changes in its net financial assets and cash flows for the years 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 Organization as at December 31, 2022, and the results of its operations, changes in its net financial assets and its 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 Financial Statements section of our report. We are independent of the Organization in accordance with the 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.

Other Matter

The financial statements of the Summer Village of Yellowstone for the period ended December 31, 2021, were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on May 13, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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.

INDEPENDENT AUDITOR'S REPORT - continued

Auditor's Responsibility for the Audit of the Financial Statements - continued

We also:

- 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 from 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 Organization'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 Organization'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 Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

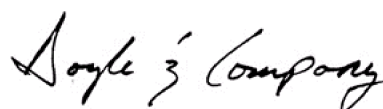
Debt Limit Regulation

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 Entity's debt limit can be found in note 6.

Supplementary Accounting Principles and Standards Regulation

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 12.

April 21, 2023
11210 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

Summer Village of Yellowstone

Statement of Financial Position

As at December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	344,392	496,461
Restricted cash (Note 3)	-	284,975
Receivables		
Taxes and grants in place of taxes (Note 4)	8,751	22,172
Grants and receivables from other government (Note 4)	47,034	106,042
Trade and other receivables	313	507
	400,490	910,157
LIABILITIES		
Accounts payable and accrued liabilities	20,573	4,474
Deferred revenue (Note 5)	3,515	393,515
	24,088	397,989
NET FINANCIAL ASSETS	376,402	512,168
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	1,097,363	569,350
Prepaid expenses	155	157
	1,097,518	569,507
ACCUMULATED OPERATING SURPLUS (Schedule 1 , Note 10)	1,473,920	1,081,675

The accompanying notes form part of these financial statements

Summer Village of Yellowstone

Statement of Operations

For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	292,954	292,954	292,266
User fees	2,000	1,595	6,164
Government transfers for operating (Schedule 4)	18,318	48,799	30,124
Investment income	4,500	12,693	1,179
Penalties and costs of taxes	7,000	6,995	6,555
Franchise fees & concession contracts	3,500	3,154	3,109
	328,272	366,190	339,397
EXPENSES			
General Government			
General administration	93,050	95,427	96,548
Council and other legislative	32,673	20,971	21,263
Protective Services			
Bylaw enforcement	11,500	12,268	10,413
Emergency services	17,500	13,978	7,424
Fire	17,800	24,163	17,645
Transportation			
Roads, streets, walks, lighting	589,425	84,409	87,640
Recreation and Culture			
Parks and recreation	29,988	25,653	21,945
Environmental Use and Protection			
Water supply and distribution	63,680	57,599	77,992
Wastewater treatment and disposal	2,000	1,415	-
Waste management	3,500	3,069	3,342
	861,116	338,952	344,212
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES			
BEFORE OTHER REVENUE (EXPENSES)	(532,844)	27,238	(4,815)
OTHER REVENUE (EXPENSES)			
Amortization of tangible capital assets	-	(34,747)	(17,181)
Government transfers for capital (Schedule 4)	534,311	399,754	6,190
	534,311	365,007	(10,991)
EXCESS (SHORTFALL) OF REVENUES			
OVER EXPENSES	1,467	392,245	(15,806)
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR			
		1,081,675	1,097,481
ACCUMULATED OPERATING SURPLUS, END OF YEAR			
		1,473,920	1,081,675

The accompanying notes form part of these financial statements

Summer Village of Yellowstone
Statement of Change in Net Financial Assets
For the year ended December 31, 2022Am

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	1,467	392,245	(15,806)
Acquisition of tangible capital assets	-	(562,760)	(36,397)
Amortization of tangible capital assets	-	34,747	17,181
	-	(528,013)	(19,216)
Use of prepaid assets	-	2	432
INCREASE (DECREASE) IN NET ASSETS	1,467	(135,766)	(34,590)
NET FINANCIAL ASSETS , BEGINNING OF YEAR	-	512,168	546,758
NET FINANCIAL ASSETS, END OF YEAR	-	376,402	512,168

The accompanying notes form part of these financial statements

Summer Village of Yellowstone

Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (Shortfall) of revenue over expenses	392,245	(15,806)
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	34,747	17,181
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	13,421	4,297
Decrease (increase) in other governments receivables	59,008	(7,371)
Decrease (increase) in trade and other receivables	194	(138)
Decrease (increase) in prepaid expenses	2	433
Increase (decrease) in payables and accrued liabilities	16,099	(22,753)
Increase (decrease) in deferred revenue	(390,000)	101,414
Cash provided by operating transactions	125,716	77,257
CAPITAL		
Acquisition of tangible capital assets	(562,760)	(36,397)
Cash applied to capital transactions	(562,760)	(36,397)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	284,975	(95,837)
Cash provided by (applied to) investing transactions	284,975	(95,837)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(152,069)	(54,977)
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	496,461	551,438
CASH AND CASH EQUIVALENTS, END OF YEAR	344,392	496,461

The accompanying notes form part of these financial statements

Summer Village of Yellowstone
Schedule of Changes in Accumulated Operating Surplus - Schedule 1
For the year ended December 31, 2022

	Unrestricted Surplus \$	Operating Reserve \$	Capital Reserve \$	Equity in Tangible Capital Assets \$	2022 \$	2021 \$
Balance, Beginning of Year	45,449	97,986	368,890	569,350	1,081,675	1,097,481
Excess (shortfall) of revenue over expenses	392,245	-	-	-	392,245	(15,806)
Current years funds used for tangible capital assets	(428,349)	-	(134,411)	562,760	-	-
Annual amortization expenses	34,747	-	-	(34,747)	-	-
	(1,357)	-	(134,411)	528,013	392,245	(15,806)
Balance, End of Year	44,092	97,986	234,479	1,097,363	1,473,920	1,081,675

The accompanying notes form part of these financial statements

Summer Village of Yellowstone
Schedule of Tangible Capital Assets - Schedule 2
For the year ended December 31, 2022

	Land	Land	Engineered	Asset Under	Motor	Machinery and	2022	2021	
	Land	Improvements	Buildings	Structures	Construction	Vehicles	Equipment		
	\$	\$	\$	\$	\$	\$	\$	\$	
COST:									
Balance, Beginning of Year	272,094	65,850	137,261	351,920	5,300	11,000	57,424	900,849	879,397
Acquisition of tangible capital assets	-	30,334	-	537,726	-	-	-	568,060	36,398
Disposal of tangible capital assets	-	-	-	-	(5,300)	-	-	(5,300)	(14,946)
Balance, End of Year	272,094	96,184	137,261	889,646	-	11,000	57,424	1,463,609	900,849
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	55,594	48,915	199,157	-	9,295	18,538	331,499	329,264
Annual amortization	-	1,850	2,745	20,291	-	1,100	8,761	34,747	17,181
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(14,946)
Balance, End of Year	-	57,444	51,660	219,448	-	10,395	27,299	366,246	331,499
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	272,094	38,740	85,601	670,198	-	605	30,125	1,097,363	569,350
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	272,094	10,256	88,346	152,763	5,300	1,705	38,886	569,350	

The accompanying notes form part of these financial statements

Summer Village of Yellowstone
Schedule of Property and Other Taxes - Schedule 3
For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
TAXATION			
Real property taxes	290,228	290,227	289,538
Linear property taxes	3,266	3,266	3,233
Special assessments and local improvement taxes	98,202	98,201	97,921
	391,696	391,694	390,692
REQUISITIONS			
Alberta School Foundation Fund	91,083	91,083	90,779
Designated Industrial Property	7,647	7,657	7,647
	98,730	98,740	98,426
NET MUNICIPAL TAXES	292,966	292,954	292,266

Summer Village of Yellowstone
Schedule of Government Transfers - Schedule 4
For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
TRANSFERS FOR OPERATING			
Provincial Government	18,336	25,230	30,124
Revenue deferred from prior period	-	23,569	-
	18,336	48,799	30,124
TRANSFERS FOR CAPITAL			
Provincial Government	534,311	39,916	6,190
Revenue deferred from prior period	-	359,838	-
	534,311	399,754	6,190
TOTAL GOVERNMENT TRANSFERS	552,647	448,553	36,314

The accompanying notes form part of these financial statements

Summer Village of Yellowstone
Schedule of Expenses by Object - Schedule 5
For the year ended December 31, 2022

	2022 Budget (Unaudited)	2022 Actual	2021 Actual
	\$	\$	\$
EXPENSES BY OBJECT			
Salaries, wages and benefits	400	265	5,578
Contracted and general services	833,191	306,804	312,173
Materials, goods, and utilities	20,225	25,097	18,858
Transfer to local boards and agencies	7,100	6,592	7,580
Bank charges and short-term interest	200	194	23
Amortization of tangible capital assets	-	34,747	17,181
TOTAL EXPENSES	861,116	373,699	361,393

Summer Village of Yellowstone
Schedule of Segmented Disclosure - Schedule 6
For the year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental Services	Recreation & Culture	Planning & Development	2022 \$
REVENUE							
Net municipal taxes	292,954	-	-	-	-	-	292,954
Government transfers	43,535	-	399,754	-	5,264	-	448,553
User fees and sale of goods	425	-	-	-	1,170	-	1,595
Franchises and concession contracts	3,154	-	-	-	-	-	3,154
Investment income	12,693	-	-	-	-	-	12,693
Penalties and costs on taxes	6,995	-	-	-	-	-	6,995
	359,756	-	399,754	-	6,434	-	765,944
EXPENSES							
Salaries, wages and benefits	265	-	-	-	-	-	265
Contracted and general services	115,939	50,409	60,727	60,668	8,041	11,020	306,804
Materials, goods and utilities	-	-	23,682	1,415	-	-	25,097
Transfers to local boards and agencies	-	-	-	-	6,592	-	6,592
Bank charges and short-term interest	194	-	-	-	-	-	194
Balance, End of Year	116,398	50,409	84,409	62,083	14,633	11,020	338,952
EXCESS (SHORTFALL) OF REVENUE BEFORE AMORTIZATION							
	243,358	(50,409)	315,345	(62,083)	(8,199)	(11,020)	426,992
Amortization	(11,074)	-	(20,291)	(1,100)	(2,282)	-	(34,747)
EXCESS (SHORTFALL) OF REVENUE							
	232,284	(50,409)	295,054	(63,183)	(10,481)	(11,020)	392,245

The accompanying notes form part of these financial statements

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

DESCRIPTION OF OPERATIONS

The Summer Village of Yellowstone (the "Organization") is a local government authority providing municipal services. The Summer Village of Yellowstone is empowered through bylaws and policies approved by Council and pursuant to the Municipal Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Yellowstone are the representations of management prepared in accordance with 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 of Yellowstone are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and changes in financial position of the reporting entity.

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.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting record 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 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 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 assets are acquired.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector 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.

d) Valuation of Financial Assets and Liabilities

The Organization's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash and temporary investments	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Cash and Temporary Investments

Cash and temporary investments consists of bank deposits and savings accounts with a term of three (3) months or less.

(f) 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.

(g) 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.

(h) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(i) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 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.

(k) 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 Change in Net Financial Assets (Debt) for the year.

i) 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:

	Years
Land improvements	10-25
Buildings	50
Engineered structures	
Roadway systems	10-30
Wastewater systems	75
Machinery and equipment	5-20
Vehicles	10

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.

ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value when the amount can reasonably be determined and would have been purchased by the Summer Village of Yellowstone, if not contributed, at the date of receipt and also are recorded as revenue.

iii) 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.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

2. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian Accounting Standards for Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

3. CASH AND TEMPORARY INVESTMENTS

	2022	2021
	\$	\$
Cash and temporary investments	344,392	496,461
Restricted cash	-	284,975
	344,392	781,436

Temporary investments are short-term deposits with original maturities of three months or less.

Restricted amounts received from municipal grants are held exclusively for future approved projects. (Note 5)

Council has designated cash and temporary investments for the funding of restricted reserves, including operating \$97,986 (2021 - \$97,986) and capital \$239,124 (2021 - \$368,890), totaling \$337,110 (2021 - \$466,876).

4. RECEIVABLES

	2022	2021
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	8,751	17,118
ii) Trade and other receivables		
Goods and services tax receivable	33,824	7,610
Government receivable	13,210	98,432
	47,034	106,042

The Government receivable is comprised of Federal Gas Tax Fund \$13,210 (2021 - \$Nil) and MSI capital \$Nil (2021 - \$98,432).

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

5. DEFERRED REVENUE

	2022	2021
	\$	\$
Provincial government transfers		
Federal Gas Tax Fund	-	22,253
Municipal Sustainability Initiative - Capital	-	359,838
Other	-	1,316
	-	383,407
Prepaid property taxes	3,515	5,054
	3,515	388,461

Municipal Sustainability Initiative (MSI)

Funding in the amount of \$146,420 was received in the current year from the Municipal Sustainability Initiative. Of the \$146,420 received, \$138,348 was from the capital component of the program and was spent on eligible capital projects as approved under the funding agreement. The remaining \$8,072 is from the operating component of the program and was spent on eligible operating projects, as approved under the funding agreement.

6. DEBT LIMITS AND DEBT SERVICING LIMIT

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Summer Village of Yellowstone are to be disclosed as follow:

	2022	2021
	\$	\$
Total Debt Limit	549,285	509,096
Total Debt	-	-
Amount of debt limit unused	549,285	509,096
Debt Service Limit	91,548	84,849
Debt Service	-	-
Amount of debt service limit unused	91,548	84,849

The debt limit is calculated at 1.5 times revenue of the municipality excluding transfers from the governments of Alberta and Canada for the purposes of capital property (as defined in Alberta Regulation 255/2000) 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.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principle and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

7. TANGIBLE CAPITAL ASSETS

	2022	2021
	\$	\$
Net Book Value		
Land	272,094	272,094
Land improvements	38,740	10,256
Buildings	85,601	88,346
Engineering structures		
Roadway system	557,161	37,430
Roadway system - construction - in - progress	-	5,300
Storm system	113,037	115,333
Machinery and equipment	30,125	38,886
Vehicles	605	1,705
	1,097,363	569,350

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
	\$	\$
Tangible capital assets (Schedule 2)	1,463,609	900,849
Accumulated amortization (Schedule 2)	(366,246)	(331,499)
	1,097,363	569,350

9. SEGMENTED DISCLOSURE

The Organization 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 6).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, fire, and police. Transportation includes roads, streets, walks and lighting. Recreation and culture includes parks and recreation, libraries, museums and halls. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Other includes: Planning and development which includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

10. ACCUMULATED OPERATING SURPLUS

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

	2022	2021
	\$	\$
Unrestricted surplus	44,092	45,449
Restricted surplus - operating		
Election	1,500	1,500
Fire	1,500	1,500
Legal	1,000	1,000
Residential taxes	79,192	79,192
Snow	3,000	3,000
Sustainability	10,294	10,294
Tree	1,500	1,500
Restricted surplus - capital		
Equipment replacement	2,500	2,500
General capital	30,406	164,817
Lagoon capital projects	87,476	87,476
Recreation & parks capital projects	6,561	6,561
Road projects	10,000	10,000
Waterworks	97,536	97,536
Equity in tangible capital assets (Note 8)	1,097,363	569,350
	1,473,920	1,081,675

11. COMMITMENTS

The Organization 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 1 and 2 construction is complete and operational. The Commission has received funding approval for phase 3 and 4 construction phases. All participating municipalities are committed to contribute their proportionate share of construction costs when construction begins on the next phases. The Organization's share of these costs are \$1,431 (2021 - \$1,903).

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

12. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	2022		2021	
	Salary (1)	Benefits & Allowances (2)	Total	Total
	\$	\$	\$	\$
Mayor:				
BAUER, D	4,175	-	4,175	6,439
BRADY, B	4,850	-	4,850	2,477
Councillors:				
PURDY, R	-	-	-	2,665
JONES, D	2,525	-	2,525	1,455
Chief Administrative Officer				
HANLAN, K	56,000	-	56,000	49,693
	67,550	-	67,550	62,729

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
- (3) The designated officers for the position of municipal assessor is SV Planning & Development Services (Paul Hanlan & Diane Burtnick), Municipal Assessment Services Group Inc, Capital Region Assessment Services Commission. Contracted services of \$15,700 (2021 - \$19,541) owing to SV Planning & Development Services, Municipal Assessment Services Group, and Capital Region Assessment Services Commission.

13. CONTAMINATED SITES LIABILITY

The municipality has adopted PS3260 Liability for Contaminated Sites. The municipality did not identify any financial liabilities in 2022 (2021 - Nil) as a result of this standard.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2022

14. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and temporary investments, restricted cash, taxes and grants in place of taxes receivable, grants and receivables from other governments, trade and other receivables, accounts payable and accrued liabilities. It is management's opinion that the Organization is not exposed to significant interest or currency risks arising from these financial instruments.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss to the other party by failing to discharge an obligation. The Organization's main credit risk relates to its tax receivables and trade and other receivable. Credit is provided to tax payers and other clients in the normal course of operations and the accounts receivables are assessed by the Organization and they record any amounts that are not collectible in the allowance for doubtful accounts.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The bank account and investments of the Organization are subject to interest rate risk because changing interest rates impact the amount of interest earned and the cash flow.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to this risk mainly through its accounts payable and accrued liabilities, long-term debt, and obligation under capital lease. The Organization manages its liquidity risk by monitoring its operating cash flow requirements to ensure it has sufficient funds to meet its financial obligations.

15. BUDGETED FIGURES

Budget figures are included in the financial statements for information purposes and are unaudited. The budget was approved by Council.

16. COMPARATIVE FIGURES

Comparative figures were prepared by another firm of Chartered Professional Accountants.

Certain comparative figures have been restated to conform with current year's presentation.

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.