

**SUMMER VILLAGE OF ROCHON SANDS SPECIAL COUNCIL MEETING  
AGENDA**

**April 29, 2022 at 7:30 pm**

**Location: Municipal Office, #1 Hall Street, Rochon Sands  
And through Virtual Zoom Meeting Link**

**1. Call to Order**

**2. Waiver of Notice**

As required. Special Council meetings held with more than 24 hours' notice to council and to the public do not require a Waiver of Notice. When Waivers are required, the signed waiver will be attached to the Minutes of the Special Meeting.

**3. Nature of Business**

- a) 2021 Audited Financial Statements Presentation by Gitzel and Company

**4. Adjournment**

A Special Council Meeting may be held with less than 24 hours' notice to all Councillors and without notice to the public if at least 2/3 of the whole council agrees to this in writing before the beginning of the meeting (MGA 194)

No matter other than that stated in this notice calling the special council meeting may be transacted at the meeting unless the whole council present at the meeting and the council agrees to deal with the mater in question (MGA 194)

Melissa Beebe  
CAO  
Summer Village of White Sands

Mayor Hiller \_\_\_\_\_

Councillor Brinson -- \_\_\_\_\_

Councillor Byer -- \_\_\_\_\_

**SUMMER VILLAGE OF ROCHON SANDS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

## **MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING**

Management of the Summer Village of Rochon Sands 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 village's financial position as at December 31, 2021 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 judgements. 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 village Council carries out its responsibilities for review of the financial statements principally through council meetings. They meet with management and the 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 village Council has approved the financial statements.

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

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**Chief Administrative Officer**

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**Date**



\*Peggy Weinzierl, CPA, CA \*Scott St. Arnaud, CPA, CA \*Jolene P. Kobi, CPA, CA \*Justin J. Tanner, CPA, CA  
\*Barry D. Gitzel, CPA, CA (Associate) \*Robert J. Krejci, CA (Associate)

## INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council  
Summer Village of Rochon Sands

### Opinion

We have audited the financial statements of Summer Village of Rochon Sands, which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes and schedules 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 village as at December 31, 2021, the results of its operations, change in its net financial assets (debt) and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the village 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.

### 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 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 ability of the village 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 cease operations, or has no realistic alternative but to do so.

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

## **Auditors' 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 auditors' 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:

- 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the 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 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 auditors' 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 the auditors' report. However, future events or conditions may cause the village 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.

Stettler, Alberta  
April 29, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

**SUMMER VILLAGE OF ROCHON SANDS  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 710,005	\$ 609,906
Investment in Shirley McClellan Regional Water Service Com.	131,205	131,205
Receivables		
Taxes and Grants in Place of Taxes (Note 3)	20,382	16,227
Trade and Other Receivables	4,068	1,872
Receivable from Governments	42,507	1,348
Other Assets	<u>10</u>	<u>10</u>
TOTAL FINANCIAL ASSETS	<u>908,177</u>	<u>760,568</u>
 <b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 61,300	\$ 33,138
Deferred Revenue (Note 4)	277,537	249,168
Other Current Liabilities	2,001	1,511
Long-term Liabilities (Note 14)	102,246	106,716
Other Long-term Liabilities	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 443,084</u>	<u>\$ 390,533</u>
 <b>NET FINANCIAL ASSETS (DEBT)</b>		
	<u>\$ 465,093</u>	<u>\$ 370,035</u>
 <b>NON-FINANCIAL ASSETS</b>		
Land Held for Resale	-	2,859
Tangible Capital Assets (Note 8, Schedule 2)	1,223,813	1,186,019
Prepaid Expenses	<u>12,467</u>	<u>10,685</u>
TOTAL NON-FINANCIAL ASSETS	<u>1,236,280</u>	<u>1,199,563</u>
 <b>ACCUMULATED SURPLUS (Note 9, Schedule 1)</b>		
	<u>\$ 1,701,373</u>	<u>\$ 1,569,598</u>

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Mayor

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Date

**SUMMER VILLAGE OF ROCHON SANDS  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021 Budget Unaudited</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>REVENUES</b>			
Net Municipal Taxes (Schedule 3)	\$ 212,042	\$ 242,460	\$ 211,931
Sales and User Fees	216,500	240,309	196,876
Government Transfers for Operating (Schedule 4)	12,496	17,146	22,949
Investment Income	-	649	4,393
Rentals	-	2,976	-
Penalties and Costs of Taxes	1,000	4,860	1,451
Licenses and Permits	4,850	8,054	835
Fines	-	-	-
Other	1,950	253	92,825
Net Gain on Sale of Tangible Capital Assets	-	-	-
	<u>\$ 448,838</u>	<u>\$ 516,707</u>	<u>\$ 531,260</u>
<b>TOTAL REVENUE</b>			
<b>EXPENSES (Schedule 5)</b>			
Legislative	10,000	9,080	9,000
Administration	118,100	132,435	108,797
Protective Services	36,100	27,010	27,277
Transportation	58,990	58,923	52,968
Water Supply and Distribution	9,500	2,317	2,138
Waste Management	11,400	10,367	10,265
Subdivision Land Development	25,900	19,681	20,362
Parks & Recreation	168,650	137,888	151,561
Amortization (Note 13)	-	74,297	71,001
	<u>\$ 438,640</u>	<u>\$ 471,998</u>	<u>\$ 453,369</u>
<b>TOTAL EXPENSES</b>			
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>			
	<b>\$ 10,198</b>	<b>\$ 44,709</b>	<b>\$ 77,891</b>
<b>OTHER</b>			
Contributed Assets	\$ -	\$ -	\$ -
Government Transfers for Capital (Schedule 4)	365,000	87,066	33,115
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>			
	<b>\$ 375,198</b>	<b>\$ 131,775</b>	<b>\$ 111,006</b>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 1,569,598	\$ 1,569,598	\$ 1,458,592
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b><u>\$ 1,944,796</u></b>	<b><u>\$ 1,701,373</u></b>	<b><u>\$ 1,569,598</u></b>

**SUMMER VILLAGE OF ROCHON SANDS  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ 131,775</b>	<b>\$ 111,006</b>
Acquisition of Tangible Capital Assets	(112,091)	(106,243)
Proceeds on Disposal of Tangible Capital Assets	-	-
Amortization of Tangible Capital Assets	74,297	71,001
(Gain) Loss on Sale of Tangible Capital Assets	-	-
	<u>\$ (37,794)</u>	<u>\$ (35,242)</u>
Acquisition of Prepaid Assets	(12,467)	(10,685)
Use of Prepaid Assets	10,685	11,123
Inventory Held For Resale	2,859	2,858
	<u>\$ 1,077</u>	<u>\$ 3,296</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 95,058</b>	<b>\$ 79,060</b>
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>\$ 370,035</u>	<u>\$ 290,975</u>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b><u>\$ 465,093</u></b>	<b><u>\$ 370,035</u></b>



**SUMMER VILLAGE OF ROCHON SANDS  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>OPERATING ACTIVITIES</b>		
Excess (Shortfall) of Revenues Over Expenditures	\$ 131,775	\$ 111,006
Non-cash items included in excess (shortfall) of revenues over expenditures:		
Amortization of Tangible Capital Assets (Note 13)	74,297	71,001
(Gain) Loss on Sale of Tangible Capital Assets	-	-
Non-cash Charges to Operations (net change):		
Taxes and Grants in Lieu Receivables	(4,155)	(8,928)
Trade and Other Receivables	(43,355)	5,091
Land Held for Resale	2,859	2,858
Prepaid Expense	(1,782)	438
Accounts Payable and Accrued Liabilities	26,651	2,246
Deferred Revenue	28,369	69,309
Liability - Current and Long Term	2,001	-
Net Cash Provided by (used in) Operating Activities	<u>216,660</u>	<u>253,021</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of Tangible Capital Assets	(112,091)	(106,243)
Proceeds on Sale of Tangible Capital Assets	-	-
Cash Applied to Capital Transactions	<u>(112,091)</u>	<u>(106,243)</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (Increase) in Restricted Cash and Short-term Investments	(28,369)	(59,309)
Investment in Shirley McClellan Regional Water Services Commission	-	-
Net Cash Provided by (Used In) Investing Activities	<u>(28,369)</u>	<u>(59,309)</u>
<b>FINANCING ACTIVITIES</b>		
Due to Shirley McClellan Regional Water Services Commission	(4,470)	(4,175)
Net Cash Provided by (Used In) Financing Activities	<u>(4,470)</u>	<u>(4,175)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>\$ 71,730</b>	<b>\$ 83,294</b>
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>386,227</u>	<u>302,933</u>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 457,957</u></b>	<b><u>\$ 386,227</u></b>
<b>Cash and Cash Equivalents if made up of:</b>		
Cash and Temporary Investments (Note 2)	\$ 710,005	\$ 609,906
Less: Restricted Portion of Cash and Temporary Investments (Note 2)	<u>(252,048)</u>	<u>(223,679)</u>
	<b><u>\$ 457,957</u></b>	<b><u>\$ 386,227</u></b>

**SUMMER VILLAGE OF ROCHON SANDS  
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021 Actual	2020 Actual
<b>BALANCE, BEGINNING OF YEAR</b>	326,761	56,818	1,186,019	1,569,598	1,458,592
Excess (deficiency) of Revenues over Expense	131,775	-	-	131,775	111,006
Unrestricted Funds Designated for Future Use	(84,319)	84,319		-	-
Restricted Funds Used for Operations	-	-		-	-
Restricted Funds Used for TCA		(18,495)	18,495	-	-
Current Year Funds Used for TCA	(93,596)		93,596	-	-
Disposal of TCA	-			-	-
Annual Amortization Expense	74,297		(74,297)	-	-
Change in Accumulated Surplus	28,157	65,824	37,794	131,775	111,006
<b>BALANCE, END OF YEAR</b>	<b>354,918</b>	<b>122,642</b>	<b>1,223,813</b>	<b>1,701,373</b>	<b>1,569,598</b>

**SUMMER VILLAGE OF ROCHON SANDS  
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021 Actual	2020 Actual
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	25,442	1,111,779	161,051	320,043	74,108	72,177	<b>1,764,600</b>	1,658,357
Acquisition of Tangible Capital Assets	-	15,690	39,133	35,530	21,738	-	<b>112,091</b>	106,243
Disposal of Tangible Capital Assets							-	-
BALANCE, END OF YEAR	<u>25,442</u>	<u>1,127,469</u>	<u>200,184</u>	<u>355,573</u>	<u>95,846</u>	<u>72,177</u>	<b><u>1,876,691</u></b>	<u>1,764,600</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	213,253	74,428	189,988	61,519	39,393	<b>578,581</b>	507,580
Annual Amortization		36,921	3,700	21,749	5,908	6,019	<b>74,297</b>	71,001
Accumulated Amortization on Disposals							-	-
BALANCE, END OF YEAR	<u>-</u>	<u>250,174</u>	<u>78,128</u>	<u>211,737</u>	<u>67,427</u>	<u>45,412</u>	<b><u>652,878</u></b>	<u>578,581</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>25,442</u>	<u>877,295</u>	<u>122,056</u>	<u>143,836</u>	<u>28,419</u>	<u>26,765</u>	<b><u>1,223,813</u></b>	<u>1,186,019</u>
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>25,442</u>	<u>898,526</u>	<u>86,623</u>	<u>130,055</u>	<u>12,589</u>	<u>32,784</u>	<u>1,186,019</u>	

**SUMMER VILLAGE OF ROCHON SANDS  
SCHEDULE 3 - PROPERTY AND OTHER TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Budget Unaudited</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>TAXATION</b>			
Real Property Taxes	\$ 397,171	\$ 427,556	\$ 393,914
Linear Property Taxes	3,730	3,730	3,668
Designated Industrial Property Taxes	<u>25</u>	<u>25</u>	<u>-</u>
Subtotal	<u>\$ 400,926</u>	<u>\$ 431,311</u>	<u>\$ 397,582</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund - Basic	\$ 159,974	\$ 159,974	\$ 158,448
Seniors Foundation	28,910	28,877	27,203
Designated Industrial Property	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 188,884</u>	<u>\$ 188,851</u>	<u>\$ 185,651</u>
<b>NET MUNICIPAL TAXES</b>	<u><b>\$ 212,042</b></u>	<u><b>\$ 242,460</b></u>	<u><b>\$ 211,931</b></u>

**SUMMER VILLAGE OF ROCHON SANDS  
SCHEDULE 4 - GOVERNMENT TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021 Budget Unaudited</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>TRANSFERS FOR OPERATING:</b>			
Federal Grant	\$ -	\$ 9,450	\$ 5
Provincial Grant	\$ 12,496	\$ 7,696	\$ 22,944
Subtotal	<u>12,496</u>	<u>17,146</u>	<u>22,949</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Grant	\$ 365,000	\$ 87,066	\$ 33,115
Subtotal	<u>365,000</u>	<u>87,066</u>	<u>33,115</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b><u>\$ 377,496</u></b>	<b><u>\$ 104,212</u></b>	<b><u>\$ 56,064</u></b>

**SUMMER VILLAGE OF ROCHON SANDS  
SCHEDULE 5 - CONSOLIDATED EXPENDITURES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021 Budget Unaudited</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>CONSOLIDATED EXPENDITURES BY OBJECT</b>			
Salaries, Wages and Benefits	\$ 167,140	\$ 158,831	\$ 147,654
Contracted and General Services	174,550	133,751	115,558
Purchases from Other Governments	4,000	5,477	-
Materials, Goods, Supplies and Utilities	56,700	85,697	67,149
Provision for Allowances	5,000	-	-
Transfers to Other Governments	-	-	39,644
Bank Charges and Short Term Interest	10,300	11,628	12,363
Interest of Long-Term Debt	3,500	2,317	-
Amortization of Tangible Capital Assets	-	74,297	71,001
Net Loss on Disposal of Tangible Capital Assets	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 421,190</u></b>	<b><u>\$ 471,998</u></b>	<b><u>\$ 453,369</u></b>

**SUMMER VILLAGE OF ROCHON SANDS  
SCHEDULE 6 - SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General Government	Protective Services	Transportation	Environmental Use & Protection	Planning & Development	Recreation & Culture	2021 Actual
<b>REVENUE:</b>							
Net Municipal Taxes	242,460						242,460
Sales and User Charges	3,319				3,497	233,493	240,309
Penalties and Costs on Taxes	4,860						4,860
Licenses and Permits	-				8,054		8,054
Returns on Investments	649						649
Rentals	2,500	476					2,976
Provincial Government Transfers	52,071		23,169	23,492		5,480	104,212
Other Revenues	253						253
Net Gain on Sale of Tangible Capital Assets							-
<b>TOTAL REVENUE</b>	<b>306,112</b>	<b>476</b>	<b>23,169</b>	<b>23,492</b>	<b>11,551</b>	<b>238,973</b>	<b>603,773</b>
<b>EXPENSES:</b>							
Salaries, Wages and Benefits	78,133	-	26,893	-	-	53,805	158,831
Contracted and General Services	48,667	27,010	5,626	10,367	10,138	31,943	133,751
Provision for Allowances	-						-
Purchases from Other Governments	-	-			5,477		5,477
Materials, Goods, Supplies and Utilities	8,183	-	26,404	-	4,066	47,044	85,697
Bank Charges	6,532					5,096	11,628
Interest on Long Term Debt				2,317			2,317
Write Down of Tangible Capital Assets						-	-
<b>TOTAL EXPENSE</b>	<b>141,515</b>	<b>27,010</b>	<b>58,923</b>	<b>12,684</b>	<b>19,681</b>	<b>137,888</b>	<b>397,701</b>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<b>164,597</b>	<b>(26,534)</b>	<b>(35,754)</b>	<b>10,808</b>	<b>(8,130)</b>	<b>101,085</b>	<b>206,072</b>
<b>AMORTIZATION</b>	<b>2,330</b>	<b>-</b>	<b>32,785</b>	<b>524</b>	<b>-</b>	<b>38,658</b>	<b>74,297</b>
<b>NET REVENUE</b>	<b>162,267</b>	<b>(26,534)</b>	<b>(68,539)</b>	<b>10,284</b>	<b>(8,130)</b>	<b>62,427</b>	<b>131,775</b>

**SUMMER VILLAGE OF ROCHON SANDS  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Summer Village of Rochon Sands 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 Public Accountants of Canada. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

**(a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the municipality.

The schedule of taxes levied also includes operating 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.

**(b) 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.

**(c) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for local governments 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.

**SUMMER VILLAGE OF ROCHON SANDS  
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**(d) Investments**

Investments are recorded at cost. Where there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

**(e) Government Transfers**

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.

**(f) 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, provided the consolidated Change in Net Financial Assets (Debt) for the year.

**i) Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes all amount 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 - 45
Buildings	25 - 50
Machinery and Equipment	5 - 25
Vehicles	10
Engineered Structures	
Roadway System	5 - 65
Water System	45 - 75
Wastewater System	45 - 75

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 at the date of receipt and also are recorded as revenue.

**(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.



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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 a property tax revenue.

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

**(h) Cash & Cash Equivalents**

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term, highly liquid investments with maturity dates not in excess of 1 year at the date of purchase.

**2. CASH AND TEMPORARY INVESTMENTS**

	<b>2021</b>	<b>2020</b>
Cash	\$ 319,961	\$ 257,060
Temporary Investments	390,044	352,846
<b>Total</b>	<b>\$ 710,005</b>	<b>\$ 609,906</b>

Included in Cash and Temporary Investments is a restricted amount of \$250,537 (2020 - \$222,168) received from various Provincial Programs and related to deferred grant funding (Note 4) and \$1,511 (2020 - \$1,511) related to deposits held for future land sales. Temporary investments consists of GIC's earning interest at rates of 0.6% and 0.6% with maturity dates of December 9, 2022.

**3. TAXES and GRANTS IN PLACE OF TAXES RECEIVABLES**

	<b>2021</b>	<b>2020</b>
Current Taxes and Grants in Place of Taxes	\$ 18,188	\$ 12,443
Arrears Taxes	2,194	\$ 3,784
Less: Allowance for Doubtful Accounts	-	-
<b>Total</b>	<b>\$ 20,382</b>	<b>\$ 16,227</b>

**4. DEFERRED REVENUE**

	<b>2021</b>	<b>2020</b>
Municipal Sustainability Initiative - Operating	\$ -	\$ 13,708
Municipal Sustainability Initiative - Capital	207,245	182,346
Federal Gas Tax Fund	43,292	26,114
Community Donations - Village Square	27,000	27,000
<b>Total</b>	<b>\$ 277,537</b>	<b>\$ 249,168</b>

**SUMMER VILLAGE OF ROCHON SANDS  
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**5. RESERVES**

Reserves for operating and capital activities changed as follows:

<u>Reserves</u>	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
Equipment	35,802	-	-	35,802
Sewer	21,016			21,016
Provincial Parks	-	84,319.00	18,495.00	65,824
<b>GRAND TOTAL RESERVES</b>	<b>\$ 56,818</b>	<b>\$ 84,319</b>	<b>\$ 18,495</b>	<b>\$ 122,642</b>

**6. DEBT LIMITS**

Section 276(2) of the Municipal Government Act requires that debt and debt limits are defined by Alberta Regulation 255/00 for the Summer Village of Rochon Sands be disclosed as follows:

	<u>2021</u>	<u>2020</u>
Total Debt Limit	\$ 775,061	\$ 796,890
Total Debt	(102,246)	(106,716)
<b>Amount of Debt Limit (Exceeded) Available</b>	<b>\$ 672,815</b>	<b>\$ 690,174</b>
Service on Debt Limit	\$ 129,177	\$ 132,815
Service on Debt	(6,730)	(6,730)
<b>Amount of Service on Debt Limit (Exceeded) Available</b>	<b>\$ 122,447</b>	<b>\$ 126,085</b>

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 required approval by the Minister of Municipal Affairs. These thresholds are guidelines used by the 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 ROCHON SANDS  
NOTES TO THE FINANCIAL STATEMENT  
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**7. TANGIBLE CAPITAL ASSETS**

<u>Net Book Value</u>	<u>2021</u>	<u>2020</u>
Land	\$ 25,442	\$ 25,442
Land Improvements	877,295	898,526
Buildings	122,056	86,623
Engineering Structures		
Roadway System	114,987	130,055
Water System	23,335	-
Electrical System	5,514	-
Machinery & Equipment & Furnishings	28,419	12,589
Vehicles	26,765	32,784
<b>Total</b>	<b><u>\$ 1,223,813</u></b>	<b><u>\$ 1,186,019</u></b>

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2021</u>	<u>2020</u>
Tangible Capital Assets (Schedule 2)	\$ 1,876,691	\$ 1,764,600
Accumulated Amortization (Schedule 2)	<u>(652,878)</u>	<u>(578,581)</u>
<b>Total</b>	<b><u>\$ 1,223,813</u></b>	<b><u>\$ 1,186,019</u></b>

**9. ACCUMULATED SURPLUS**

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

	<u>2021</u>	<u>2020</u>
Unrestricted Surplus (deficit)	\$ 354,918	\$ 326,761
Restricted Surplus (Note 5)	122,642	56,818
Equity in Tangible Capital Assets (Note 8)	<u>1,223,813</u>	<u>1,186,019</u>
<b>Total</b>	<b><u>\$ 1,701,373</u></b>	<b><u>\$ 1,569,598</u></b>

**SUMMER VILLAGE OF ROCHON SANDS  
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**10. SALARY & BENEFITS DISCLOSURE**

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

		2021			2020
		Salary (1)	Benefits & Allowances (2)	Total	Total
Mayor	D. Hiller	3,000	-	3,000	3,000
Councillor	B. Brinson	3,000	-	3,000	3,000
Councillor	R Nichols	3,000	-	3,000	3,000
CAO	J. Olson	17,313	1,279	18,592	72,080
CAO	M. Beebe	36,667	2,206	38,873	-

- (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 Canada pension and employment insurance.

**11. SEGMENTED DISCLOSURE**

The Summer Village 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).

**12. FINANCIAL INSTRUMENTS**

The Summer Village's financial statements consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Summer Village is not exposed to significant interest or currency risks arising from these financial instruments.

The Summer Village 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 Summer Village 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.

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

At December 31, 2021, the Village had a short-term bank line of credit with a limit of \$30,00 (2019 - \$30,000) of which SNIL (2020 - \$ NIL) had been drawn down. Lines of credit are revolving operating and term facilities that bear interest at prime rate and prime rate plus 2.45%. They are reviewed annually and are secured by a general security agreement.

**SUMMER VILLAGE OF ROCHON SANDS  
NOTES TO THE FINANCIAL STATEMENT  
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**13. AMORTIZATION**

Amortization is a non-cash expense and is allocated to the different functions as follows:

	<b>2021</b>	<b>2020</b>
General Administration	\$ 2,330	\$ -
Common Services	10,311	-
Transportation	22,474	33,056
Water System	234	-
Waste Management System	290	-
Parks & Recreation	38,658	37,945
<b>Total</b>	<b>\$ 74,297</b>	<b>\$ 71,001</b>

**14. LONG TERM LIABILITIES**

Payable to Shirley McClellan Regional Water Services Commission due \$3,365 semi-annually including interest at 2.649%, 3.0757%, and 2.056%, maturing December 2037, September 2041 and March 2045.

	<b>2021</b>	<b>2020</b>
<b>Total</b>	<b>\$ 102,246</b>	<b>\$ 106,716</b>

Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,703	\$ 3,027	\$ 6,730
2023	3,810	2,920	6,730
2024	3,920	2,810	6,730
2025	4,034	2,696	6,730
2026	4,150	2,580	6,730
Thereafter	82,629	23,982	106,611
	<b>\$ 102,246</b>	<b>\$ 38,015</b>	<b>\$ 140,261</b>

**15. COMMITMENTS**

The Summer Village has a commitment with the Shirley McClellan Regional Water Services Commission to share in any deficit funding the commission encounters.

**16. RECENT ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED**

The following standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. The municipality is currently evaluating the effect of these standards on their financial statements.

**SUMMER VILLAGE OF ROCHON SANDS  
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**(a) Section PSAS 1201 - Financial Statement Presentation**

This section provides guidance on general reporting principles and disclosure of information in financial statements. Effective for years beginning on or after April 1, 2022.

**(b) Section PSAS 2601 - Foreign Currency Translation**

This section establishes standards on how to account for and report transactions that are denominated in foreign currency in government financial statements. Effective for years beginning on or after April 1, 2022.

**(c) Section PSAS 3041 - Portfolio Investments**

This standard addresses the distinction between temporary and portfolio investments in government financial statements. Effective for years beginning on or after April 1, 2022.

**(d) Section PSAS 3050 - Loans Receivable**

This section establishes standards on how to account for and report loans receivable in government financial statements. The standards apply to loans to borrowers outside of the government reporting entity. Effective for the fiscal years beginning on or after April 1, 2022.

**(e) Section PSAS 3160 - Public Private Partnerships**

This section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. Effective for the fiscal years beginning on or after April 1, 2023.

**(f) Section PSAS 3280 - Asset Retirement Obligation**

This standard is intended to provide guidance how to account for a liability for retirement of a tangible capital asset. Effective for years beginning on or after April 1, 2022.

**(g) Section PSAS 3400 - Revenue**

This standard will provide greater clarity on how to account for and report on revenue. Specifically, *it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.* Effective for years beginning on or after April 1, 2023.

**(h) Section PSAS 3450 - Financial Instruments**

This standard establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. Effective for years beginning on or after April 1, 2022.

**17. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

**18. BUDGET AMOUNTS**

Budget figures for the year ended December 31, 2021 were approved as March 9, 2021 and are for information purposes. These amounts have not been audited.