

VILLAGE OF ROCKYFORD
Consolidated Financial Statements
For the year ended December 31, 2019

VILLAGE OF ROCKYFORD
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For the year ended December 31, 2019

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Village of Rockyford

Opinion

We have audited the consolidated financial statements of the Village of Rockyford which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, change in net financial assets (debt) and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Rockyford as at December 31, 2019, the results of its operations, change in its net financial assets (debt) 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 Village in accordance with the 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.

Emphasis of Matter

We draw your attention to note 21 to the financial statements which describes the amendments made to the prior year's figures. Our audit opinion is not qualified in respect to this matter.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the 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 Village or 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.

Auditor's Responsibilities for the Audit of the 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 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:

INDEPENDENT AUDITOR'S REPORT, continued

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

Report on Other Legal and Regulatory Requirements

- **Debt Limit Regulation:**
In accordance with Alberta Regulation 255/2000, we confirm that the Village is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 13.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, we confirm that the Village is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 14.

Lethbridge, Alberta

April 8, 2020



Chartered Professional Accountants

MANAGEMENT REPORT

The consolidated financial statements are the responsibility of the management of the Village of Rockyford.

These consolidated financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Village maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Village's assets are properly accounted for and adequately safeguarded.

The elected Council of the Village is responsible for ensuring that management fulfils its responsibilities for financial statements. Council carries out its responsibility principally through the committee of the whole.

The Council meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council also considers the engagement or re-appointment of the external auditors. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Village. Avail LLP has full and free access to the Council.

E. Macdonald

Village Administrator

VILLAGE OF ROCKYFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	2019	2018 (Restated)
Financial assets		
Cash and temporary investments (note 2)	\$ 1,821,476	\$ 4,047,557
Taxes and grants in place of taxes receivable (note 3)	145,053	178,709
Trade and other receivables (note 4)	1,069,942	1,431,813
Land held for resale	62,075	62,075
Investments (note 5)	1,521	1,521
	<u>3,100,067</u>	<u>5,721,675</u>
Liabilities		
Accounts payable and accrued liabilities	1,292,434	4,187,850
Deferred revenue (note 6)	1,076,500	904,147
Long-term debt (note 7)	564,169	605,346
Other liabilities	34,165	25,017
	<u>2,967,268</u>	<u>5,722,360</u>
Net financial assets (debt)	<u>132,799</u>	<u>(685)</u>
Non-financial assets		
Prepaid expenses	5,083	287
Tangible capital assets (schedule 2)	34,365,528	34,724,716
	<u>34,370,611</u>	<u>34,725,003</u>
Accumulated surplus (note 8 and schedule 1)	<u>\$ 34,503,410</u>	<u>\$ 34,724,318</u>

Commitment (note 17)

Approved on behalf of Council:

Councillor _____



Councillor _____



VILLAGE OF ROCKYFORD
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2019

	Budget (Unaudited)	2019	2018 (Restated)
Revenue			
Net municipal property taxes (note 10)	\$ 374,263	\$ 375,944	\$ 371,273
User fees and sales of goods	483,384	554,549	443,281
Government transfers for operating (note 11)	38,000	39,794	40,876
Investment income	15,525	15,179	20,803
Penalties and costs of taxes	30,000	28,647	35,312
Licenses and permits	3,000	4,965	3,150
Franchise and concession contracts	42,000	43,423	39,506
Other	67,822	115,046	119,204
Gain on disposal of capital assets	-	1,680	26,176
	<u>1,053,994</u>	<u>1,179,227</u>	<u>1,099,581</u>
Expenses (note 12)			
Legislative	30,000	28,088	28,363
Administration	210,584	187,511	236,603
Protective services	114,764	89,227	135,138
Common and equipment pool	75,000	64,569	65,485
Roads, streets, walks and lighting	137,157	109,969	100,305
Storm sewers and drainage	2,200	5,094	1,184
Water supply and distribution	1,126,711	1,199,523	1,104,299
Wastewater treatment and disposal	40,726	32,170	41,277
Waste management	34,627	34,890	36,361
Public health and welfare services	4,343	4,343	14,950
Planning and development	66,302	134,147	53,477
Parks and recreation	41,860	54,692	49,940
Culture - libraries, museums, halls	7,100	7,043	5,965
	<u>1,891,374</u>	<u>1,951,266</u>	<u>1,873,347</u>
Deficiency of revenue over expenses before other	(837,380)	(772,039)	(773,766)
Other			
Government transfers for capital (note 11)	258,300	551,131	6,113,248
(Deficiency) excess of revenue over expenses	(579,080)	(220,908)	5,339,482
Accumulated surplus, beginning of year			
As previously stated	34,704,555	34,704,555	29,384,836
Prior period adjustment (note 21)	-	19,763	-
As restated	<u>34,704,555</u>	<u>34,724,318</u>	<u>29,384,836</u>
Accumulated surplus, end of year	\$ 34,125,475	\$ 34,503,410	\$ 34,724,318

VILLAGE OF ROCKYFORD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
For the year ended December 31, 2019

	Budget (Unaudited)	2019	2018 (Restated)
(Deficiency) excess of revenue over expenses	\$ (579,080)	\$ (220,908)	\$ 5,339,482
Acquisition of tangible capital assets	(258,300)	(554,361)	(6,162,878)
Amortization of tangible capital assets	905,349	910,229	897,497
Gain on disposal of tangible capital assets	-	(1,680)	(26,176)
Proceeds on disposal of tangible capital assets	-	5,000	53,939
	647,049	359,188	(5,237,618)
Net change in prepaid expense	-	(4,796)	59
Increase in net financial debt	67,969	133,484	101,923
Net financial debt, beginning of year	(685)	(685)	(102,608)
Net financial assets (debt), end of year	\$ 67,284	\$ 132,799	\$ (685)

VILLAGE OF ROCKYFORD
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2019

	2019	2018 (Restated)
Operating transactions		
Excess of revenue over expenses	\$ (220,908)	\$ 5,339,482
Adjustments for items which do not affect cash		
Gain on disposal of tangible capital assets	(1,680)	(26,176)
Amortization of tangible capital assets	910,229	897,497
	687,641	6,210,803
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	33,656	(42,752)
Trade and other receivables	371,018	4,693,927
Prepaid expenses	(4,796)	59
Accounts payable and accrued liabilities	(2,895,415)	(7,023,983)
Deferred revenue	172,353	(592,853)
Cash applied to (provided by) operating transactions	(1,635,543)	3,245,201
Capital transactions		
Proceeds on disposal of tangible capital assets	5,000	53,939
Acquisition of tangible capital assets	(554,361)	(6,162,878)
Cash applied to capital transactions	(549,361)	(6,108,939)
Financing transactions		
Repayment of long-term debt	(41,177)	(39,352)
Decrease in cash and temporary investments	(2,226,081)	(2,903,090)
Cash and temporary investments, beginning of year	4,047,557	6,950,647
Cash and temporary investments, end of year	\$ 1,821,476	\$ 4,047,557

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Significant accounting policies

The consolidated financial statements of the Village of Rockyford 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 Village are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, 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 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 expense 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) 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.

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Significant accounting policies, continued

(e) Land held for resale

Land held for resale is recorded at the lower of cost and 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 waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

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

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Significant accounting policies, continued

(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
Buildings	50
Engineered structures	15-75
Machinery and equipment	10-25
Vehicles	10-25

A full year of amortization is charged in the year of acquisition and no amortization 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.

(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.

(iv) **Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(v) **Cultural and historical tangible capital assets**

Works of art for display are not recorded as tangible capital assets but are disclosed.

2. Cash and temporary investments

	2019	2018
Cash (cheques issued in excess of cash on deposit)	\$ 83,145	\$ 30,052
Temporary investments	1,738,331	4,017,505
	\$ 1,821,476	\$ 4,047,557

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

3. Taxes and grants in place of taxes receivables

	2019	2018
Taxes and grants in place of taxes receivable	\$ 22,139	\$ 37,844
Arrears	122,914	140,865
	<u>\$ 145,053</u>	<u>\$ 178,709</u>

4. Trade and other receivables

	2019	2018 (Restated)
Wheatland Regional Corporation	\$ 555,498	\$ 551,046
Alberta Transportation grant	171,540	364,006
Municipal Sustainable Initiative (MSI) grant	141,880	-
Federal Gas Tax Fund	100,000	50,000
Trade receivables	60,182	68,936
Rockyford Rural Fire Association	22,313	80,429
Wheatland County grant	19,060	305,285
Alberta Community Partnership grant	-	20,000
GST	(531)	(7,889)
	<u>\$ 1,069,942</u>	<u>\$ 1,431,813</u>

5. Investments

	2019		2018	
	Cost	Market value	Cost	Market value
UFA - patronage reserves	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481
Alberta Capital Finance Authority	10	10	10	10
Alberta Association of Municipal Districts & Counties	30	30	30	30
	<u>\$ 1,521</u>	<u>\$ 1,521</u>	<u>\$ 1,521</u>	<u>\$ 1,521</u>

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

6. Deferred revenue

	2019	2018
Municipal Sustainability Initiative (MSI) - capital	\$ 402,135	\$ 254,975
Alberta Transportation - Water for Life	230,413	63,676
Wheatland County - Water for Life	205,591	267,018
Wheatland County Infrastructure Services Program (CRISP)	114,486	291,986
Federal Gas Tax Fund	100,000	-
Alberta Community Partnership Grant	20,000	20,000
Services not yet provided	1,950	3,743
Prepaid cemetery lots	1,925	1,925
Other	-	824
	\$ 1,076,500	\$ 904,147

7. Long-term debt

	2019	2018
Tax supported debentures - capital	\$ 546,439	\$ 579,510
Utility supported debenture - capital	17,730	25,836
	\$ 564,169	\$ 605,346
Current portion	\$ 43,091	\$ 41,177

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2020	\$ 43,091	\$ 20,861	\$ 63,952
2021	45,098	18,855	63,953
2022	37,514	16,750	54,264
2023	39,128	15,136	54,264
2024	40,813	13,451	54,264
Thereafter	358,525	103,321	461,846
	\$ 564,169	\$ 188,374	\$ 752,543

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 3.192% to 6.125% per annum and matures in periods 2021 through 2042. The average annual interest rate is 4.69% for 2019 (4.69% for 2018).

Debenture debt is issued on the credit and security of the Village at large.

Interest on long-term debt amounted to \$22,313 (2018 - \$24,034).

The Village's total cash payments for interest in 2019 were \$22,775 (2018 - \$24,600).

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

8. Accumulated surplus

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

	2019	2018 (Restated)
Unrestricted surplus	\$ 702,051	\$ 604,948
Internally restricted surplus (reserves)	-	-
Equity in tangible capital assets (note 9)	33,801,359	34,119,370
	\$ 34,503,410	\$ 34,724,318

9. Equity in tangible capital assets

	2019	2018 (Restated)
Tangible capital assets (schedule 2)	\$ 40,132,303	\$ 39,589,242
Accumulated amortization (schedule 2)	(5,766,775)	(4,864,526)
Long-term debt (note 7)	(564,169)	(605,346)
	\$ 33,801,359	\$ 34,119,370

10. Net municipal property taxes

	Budget (Unaudited)	2019	2018
Taxation			
Real property taxes	\$ 451,946	\$ 452,705	\$ 457,020
Linear property taxes	9,538	7,647	1,415
	461,484	460,352	458,435
Requisitions			
Alberta School Foundation Fund	85,000	82,203	85,138
Wheatland Housing Management Body	2,205	2,205	2,009
Designated Industrial Properties	16	-	15
	87,221	84,408	87,162
	\$ 374,263	\$ 375,944	\$ 371,273

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

11. Government transfers

	Budget (Unaudited)	2019	2018
Transfers for operating:			
Provincial government	\$ 38,000	\$ 39,794	\$ 40,876
Transfers for capital:			
Other local government	250,000	362,025	603,180
Provincial government	8,300	189,106	5,510,068
	258,300	551,131	6,113,248
	\$ 296,300	\$ 590,925	\$ 6,154,124

12. Expenses by object

	Budget (Unaudited)	2019	2018 (Restated)
Salaries, wages and benefits	\$ 330,853	\$ 295,482	\$ 380,421
Contracted and general services	408,211	411,615	302,307
Materials, goods, supplies and utilities	190,090	276,096	238,456
Transfers to organizations and others	26,548	26,491	25,380
Interest on long term debt	24,823	22,313	24,034
Other expenditures	5,500	8,326	4,752
Bank charges and short term interest	-	714	500
Amortization of tangible capital assets	905,349	910,229	897,497
	\$ 1,891,374	\$ 1,951,266	\$ 1,873,347

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

13. 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 Village be disclosed as follows:

	2019	2018 (Restated)
Total debt limit	\$ 1,427,625	\$ 1,287,150
Total debt	564,169	605,346
	\$ 863,456	\$ 681,804
Debt servicing limit	\$ 237,938	\$ 214,525
Debt servicing	63,952	63,952
	\$ 173,986	\$ 150,573

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 which 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.

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

14. Salary and 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:

	(1) Salary	(2) Benefits & allowances	2019	2018
Council				
Burke, Darcy	\$ 7,912	-	\$ 7,912	\$ 9,325
Smith, Leah	4,362	-	4,362	3,175
Cheshire, Dalia	3,061	-	3,061	3,148
Goodfellow, William	2,313	-	2,313	2,013
Geeraert, April	1,456	-	1,456	1,306
 Macdonald, Elaine	 \$ 67,244	 \$ 3,933	 \$ 71,177	 \$ 68,902

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances include the 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 disability and dismemberment insurance, long- and short-term disability plans, professional memberships, and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

15. Segmented disclosure

The 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 3).

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

16. Budget amounts

The 2019 budget for the Village was approved by Council and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

The approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted deficit per financial statements	\$ (579,080)
Less: Capital expenditures	(258,300)
Long-term debt repayments	(39,323)
Inter-entity funding	433,725
Reserve contingency	(50,299)
Add: Amortization	509,350
<hr/>	
Equals: Surplus budget	\$ 16,073

17. Commitment

The Village of Rockyford is a member of the Alberta Municipal Insurance Exchange (MUNIX) which provides liability insurance. The investment in this program is not reflected as an asset in the accompanying financial statements. Under the terms of membership, the Village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

18. Contaminated sites liability

The Village has adopted PS3260 liability for contaminated sites. The Village did not identify any financial liabilities in 2019 (2018 - nil) as a result of this standard.

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

19. Subsequent events

COVID-19

The global coronavirus pandemic has had a significant impact on global financial markets and will have significant accounting, disclosure, and internal control implications for many entities.

Some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses.

The situation is changing rapidly and the future impact on the entity is not readily determinable at this time.

20. Financial instruments

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

The 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 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.

21. Prior period adjustment

The comparative figures have been restated to capitalize a vehicle purchase in Wheatland Regional Corporation from the Village of Rockyford. The effects of these adjustments are as follows:

- an increase in accounts receivable of \$32,939 as of December 31, 2018
- an increase in other liabilities of \$8,235 as of December 31, 2018
- a decrease in tangible capital assets of \$4,941 as of December 31, 2018
- an increase in unrestricted net assets of \$24,704 as of December 31, 2018
- a decrease in equity in tangible capital assets of \$4,941 as of December 31, 2018

22. Approval of financial statements

These financial statements were approved by Council and Management.

VILLAGE OF ROCKYFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

23. Investment in government partnership

The Village purchased 25 class B common shares in Wheatland Regional Corporation (WRC) for 25% ownership in the amount of \$2.50.

WRC was formed in partnership with the Village of Rockyford, Village of Hussar, Village of Standard, and the Wheatland County. WRC is responsible for distribution of water to its partnering municipalities.

WRC is accounted for using the proportionate consolidation method. Below is a financial summary of the Corporation's financial statements as at December 31, 2019 and for the year then ended as follows:

	2019 Total	Adjustments	2019 25% share	2018 25% share (restated)
Financial assets	427,652	320,739	106,913	65,809
Liabilities	940,161	705,121	235,040	209,785
Net financial debt	(512,509)	(384,382)	(128,127)	(143,976)
Non-financial assets	126,636	94,977	31,659	36,691
Accumulated surplus	(385,873)	(289,405)	(96,468)	(107,285)
Total revenue	1,143,683	857,762	285,921	266,317
Total expenses	1,100,413	825,310	275,103	293,013
(Deficiency) excess of revenue over expenses	43,270	32,452	10,818	(26,696)

The following adjustments pertain to transactions and balances between the Village and WRC. They have been adjusted using the proportionate consolidation method and are taken into consideration in the adjustments above:

- Revenues \$210,624 (2018 - \$86,784)
- Expenses \$12,558 (2018 - \$12,558)
- Due to shareholders \$745,960 (2018 - \$690,811)
- Accounts payable \$15,888 (2018 - \$7,932)
- Share capital \$2.50 (2018 - \$2.50)

VILLAGE OF ROCKYFORD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of changes in accumulated surplus	Schedule 1			
	Unrestricted	Equity in tangible capital assets	2019	2018 (Restated)
Balance, beginning of year				
As previously stated	\$ 580,244	\$ 34,124,311	\$ 34,704,555	\$ 29,384,836
Prior period adjustment (note 21)	24,704	(4,941)	19,763	-
As restated	604,948	34,119,370	34,724,318	29,384,836
(Deficiency) excess of revenue over expenses	(220,908)	-	(220,908)	5,339,482
Current year funds used for tangible capital assets	(554,361)	554,361	-	-
Disposal of tangible capital assets	3,320	(3,320)	-	-
Amortization of tangible capital assets	910,229	(910,229)	-	-
Proceeds of long-term debt	(41,177)	41,177	-	-
Change in accumulated surplus	97,103	(318,011)	(220,908)	5,339,482
Balance, end of year	\$ 702,051	\$ 33,801,359	\$ 34,503,410	\$ 34,724,318

VILLAGE OF ROCKYFORD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of tangible capital assets

Schedule 2

	2018	2019	Construction in progress	Vehicles	Machinery and equipment	Engineered structures	Buildings	Land	Cost:
Balance, beginning of year	\$ 33,482,191	\$ 39,589,242	\$ 610,570	\$ 964,102	\$ 807,279	\$ 36,437,320	\$ 689,275	\$ 80,696	Balance, beginning of year
Acquisitions	6,162,878	554,361	269,444	-	2,550	282,367	-	-	Acquisitions
Disposals	(55,827)	(11,300)	-	-	(11,300)	-	-	-	Disposals
Balance, end of year	39,589,242	40,132,303	880,014	964,102	798,529	36,719,687	689,275	80,696	Balance, end of year
Accumulated amortization:									Accumulated amortization:
Balance, beginning of year	3,995,092	4,864,526	-	510,660	514,713	3,631,157	207,997	-	Balance, beginning of year
Annual amortization	897,497	910,229	-	39,961	24,636	827,059	18,573	-	Annual amortization
Disposals	(28,063)	(7,980)	-	-	(7,980)	-	-	-	Disposals
Balance, end of year	4,864,526	5,766,775	-	550,621	531,369	4,458,216	226,570	-	Balance, end of year
Net book value	\$ 34,724,716	\$ 34,365,528	\$ 880,014	\$ 413,481	\$ 267,160	\$ 32,261,471	\$ 462,705	\$ 80,696	Net book value
2018 net book value (Restated)	\$ 34,724,716	\$ 34,724,716	\$ 610,570	\$ 453,442	\$ 292,566	\$ 32,806,164	\$ 481,278	\$ 80,696	2018 net book value (Restated)

VILLAGE OF ROCKYFORD
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of segmented disclosure

Schedule 3

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal property taxes	\$ 375,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,944
User fees and sales of goods	1,515	-	165	520,158	-	-	32,711	554,549
Government transfers for operating	37,009	-	-	-	-	-	2,785	39,794
Investment income	15,179	-	-	-	-	-	-	15,179
Penalties and costs of taxes	28,647	-	-	-	-	-	-	28,647
Licenses and permits	-	3,555	-	-	-	1,410	-	4,965
Gain on disposal of capital assets	-	-	1,680	-	-	-	-	1,680
Franchise and concession contracts	43,423	-	-	-	-	-	-	43,423
Other	200	22,313	-	-	-	20,535	71,998	115,046
Expenses								
Salaries, wages and benefits	125,677	1,300	47,862	113,701	-	-	6,940	295,482
Contracted and general services	62,567	21,216	22,954	289,525	-	14,882	473	411,615
Materials, goods, supplies and utilities	14,828	22,986	32,960	57,129	-	118,487	29,705	276,096
Bank charges and short term interest	-	-	-	714	-	-	-	714
Interest on long term debt	-	-	8,698	13,615	-	-	-	22,313
Other expenditures	60	24	-	-	-	778	-	8,326
Transfers to organizations and others	-	2,528	-	12,577	4,343	-	7,043	26,491
Amortization of tangible capital assets	12,465	41,174	67,159	779,322	-	-	10,110	910,229
Excess (deficiency) of revenue over expenses before other	286,320	(63,360)	(177,788)	(746,425)	(4,343)	(112,202)	45,759	(772,039)
Other								
Government transfers for capital	-	-	276,388	274,743	-	-	-	551,131
Excess (deficiency) of revenue over expenses	\$ 286,320	\$ (63,360)	\$ 98,600	\$ (471,682)	\$ (4,343)	\$ (112,202)	\$ 45,759	\$ (220,908)