

SUMMER VILLAGE OF BONDISS
Consolidated Financial Statements
Year Ended December 31, 2018

SUMMER VILLAGE OF BONDISS
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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Councils of Summer Village of Bondiss

Opinion

We have audited the consolidated financial statements of Summer Village of Bondiss (the Summer Village), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Summer Village as at December 31, 2018, and the results of its operations 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 Consolidated Financial Statements* section of our report. We are independent of the Summer 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Summer Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Summer Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Summer Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Edmonton, Alberta
April 26, 2019

**Seniuk and Company,
Chartered Accountants**

SUMMER VILLAGE OF BONDISS
Consolidated Statement of Financial Position
December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash (Note 2)	\$ 105,603	\$ 171,314
Temporary investments (Notes 2, 3.)	433,267	530,764
Taxes and grants in place of taxes (Note 4)	23,045	30,428
Grants and receivables from other governments (Note 5)	450,093	312,339
Interest receivable	2,146	1,611
	\$ 1,014,154	\$ 1,046,456
LIABILITIES		
Accounts payable	\$ 15,279	\$ 19,268
Deferred income (Note 7)	219,138	337,499
	234,417	356,767
NET FINANCIAL ASSET (DEBT)	779,737	689,689
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	620,297	418,274
ACCUMULATED SURPLUS	\$ 1,400,034	\$ 1,107,963

On behalf of Council

_____ Councilor

_____ Councilor

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS
Consolidated Statement of Operations
Year Ended December 31, 2018

	Budget (Unaudited) 2018	2018	2017
REVENUE			
Net municipal taxes (Schedule 1)	\$ 163,934	\$ 160,042	\$ 161,800
Government transfers for operating	-	20,343	8,746
Investment income	1,530	2,408	2,728
Penalties and costs of taxes	-	3,347	4,642
Licenses and permits	816	250	450
Other	1,122	1,182	9,112
Total revenue	167,402	187,572	187,478
EXPENSES			
Administration and legislative	46,150	45,781	46,944
Fire service	10,710	6,700	10,500
Roads, streets, walks and lighting	15,060	11,259	17,593
Wastewater treatment and disposal	25,007	24,831	24,777
Parks and recreation	15,380	12,600	14,140
Libraries, museums and halls	1,097	1,115	1,075
Total operating expenses	113,404	102,286	115,029
Excess (deficiency) of revenue over expenses before other	53,998	85,286	72,449
OTHER			
Government transfers for capital	-	248,671	32,033
Amortization	-	(41,886)	(29,785)
	-	206,785	2,248
EXCESS OF REVENUE OVER EXPENSES	53,998	292,071	74,697
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	1,107,963	1,033,266
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 1,400,034	\$ 1,107,963

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2018

	2018	2017
		-
Excess (Shortfall) of Revenues Over Expenses	\$ 292,071	\$ 74,697
Acquisition of tangible capital assets	(243,910)	(32,530)
Amortization of tangible capital assets	41,886	29,785
(INCREASE) DECREASE IN NET DEBT	90,048	71,952
Net financial assets (debt), beginning of year	689,689	617,737
NET ASSETS - END OF YEAR	\$ 779,737	\$ 689,689

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS
Consolidated Statement of Cash Flows
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 292,071	\$ 74,697
Item not affecting cash:		
Amortization	41,886	29,785
	333,957	104,482
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	7,383	48,435
Interest receivable	(535)	(913)
Grants and receivables from other governments	(137,754)	(93,953)
Accounts payable	(3,989)	246
Deferred income	(118,361)	84,369
	(253,256)	38,184
Cash flow from operating activities	80,701	142,666
INVESTING ACTIVITY		
Purchase of capital assets	(243,909)	(32,530)
INCREASE (DECREASE) IN CASH FLOW	(163,208)	110,136
Cash - beginning of year	702,078	591,942
CASH - END OF YEAR (Note 2)	\$ 538,870	\$ 702,078

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS
Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2018

(Schedule 1)

	Budget (Unaudited) 2018	2018	2017
TAXATION			
Real property tax	\$ 295,056	\$ 288,773	\$ 288,431
Linear property taxes	2,255	2,256	2,504
Special assessments	22,330	22,330	22,330
	319,641	313,359	313,265
REQUISITIONS			
Alberta School Foundation	142,809	142,480	140,009
Seniors' housing requisition	12,898	10,837	11,456
	155,707	153,317	151,465
NET MUNICIPAL TAXES	\$ 163,934	\$ 160,042	\$ 161,800

Consolidated Schedule of Government Transfers

(Schedule 2)

	Budget (Unaudited) 2018	2018	2017
TRANSFERS FOR OPERATING			
Provincial Government	\$ -	\$ 20,343	\$ 8,746
	-	20,343	8,746
TRANSFERS FOR CAPITAL			
Provincial Government	-	248,671	32,033
TOTAL GOVERNMENT TRANSFERS	\$ -	\$ 269,014	\$ 40,779

Consolidated Schedule of Expenditures by Object

(Schedule 3)

	Budget (Unaudited) 2018	2018	2017
EXPENSES			
Salaries, wages & benefits	\$ 29,427	\$ 28,200	\$ 27,599
Contracted and general services	66,990	72,631	83,799
Materials, goods and utilities	15,890	340	2,555
Transfer to local boards and agencies	1,097	1,115	1,075
Total Consolidated Expenditures by Object	\$ 113,404	\$ 102,286	\$ 115,029

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS

Consolidated Schedule of Segmented Disclosure

Year Ended December 31, 2018

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 137,712	\$ -	\$ 22,330	\$ -	\$ -	\$ -	\$ -	\$ 160,042
Government transfers	-	9,801	-	-	-	10,542	-	20,343
Investment income	2,408	-	-	-	-	-	-	2,408
Other revenues	4,529	-	-	250	-	-	-	4,779
	144,649	9,801	22,330	250	-	10,542	-	187,572
EXPENSES								
Contract & general services	17,239	6,700	11,259	-	12,600	24,831	-	72,629
Salaries & wages	28,200	-	-	-	-	-	-	28,200
Materials, goods & utilities	340	-	-	-	-	-	-	340
Transfers to local boards	-	-	-	-	1,115	-	-	1,115
	45,779	6,700	11,259	-	13,715	24,831	-	102,284
NET REVENUE, BEFORE OTHER	98,870	3,101	11,071	250	(13,715)	(14,289)	-	85,288
OTHER INCOME AND EXPENSE								
Amortization	(118)	-	(37,705)	-	(2,415)	(1,648)	-	(41,886)
Government transfers for capital	-	-	248,671	-	-	-	-	248,671
	(118)	-	210,966	-	(2,415)	(1,648)	-	206,785
EXCESS OF REVENUE OVER EXPENSES	\$ 98,752	\$ 3,101	\$ 222,037	\$ 250	\$ (16,130)	\$ (15,937)	\$ -	\$ 292,073

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS

**Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2018**

(Schedule 5)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2018	Total 2017
BALANCE, BEGINNING OF YEAR	\$ 516,795	\$ 172,895	\$ 418,273	\$ 1,107,963	\$ 1,033,266
Excess (deficiency) of revenues over expenses	292,071	-	-	292,071	74,697
Current year funds used for tangible capital assets	(243,909)	-	243,909	-	-
Annual amortization expense	41,886	-	(41,886)	-	-
	90,048	-	202,023	292,071	74,697
BALANCE, END OF YEAR	\$ 606,843	\$ 172,895	\$ 620,296	\$ 1,400,034	\$ 1,107,963

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Bondiss are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the Summer Village of Bondiss (the "Summer Village"). The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Summer Village and are; therefore, accountable to the Summer Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by Summer Village Council in accordance with legislation and Summer Village Council approved policies to raise the tax revenue required to meet the Summer Village's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Consolidated Schedule of Property and Other Taxes.

The Summer Village also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Consolidated Schedule of Property and Other Taxes (Schedule 1).

Use of Estimates

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

Investments

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

Debt Charges Recoverable

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

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SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

Requisition Over-levy and Under-levy

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

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

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

Inventories for Resale

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

Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Summer Village is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage. The Summer Village of Bondiss uses the Regional Landfill Authority at the County of Athabasca and as such, is not directly responsible for landfill closure and post-closure liabilities but is assessed by the County of Athabasca Commission for its proportionate share of all landfill costs including any closure or post-closure costs incurred. At present, no landfill or post-closure liabilities have been assessed.

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.

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction are not expected to be repaid in the future or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur providing the transfers are authorized, any eligibility criteria has been met and reasonable estimates of the amounts can be determined.

(*continues*)

SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Changes in Net Financial Assets (Debt) for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15 years
Buildings	50 years
Machinery and equipment	10 years
Engineered structures	10 - 20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Cultural and Historical Tangible Capital Assets

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

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.

2. CASH AND TEMPORARY INVESTMENTS

	2018	2017
Cash and temporary investments	\$ 105,603	\$ 171,314
Temporary investments - unrestricted portion	422,200	468,457
Temporary investments - restricted portion	11,067	62,307
	\$ 538,870	\$ 702,078

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

Included in cash are restricted amounts received from the Municipal grants and are held exclusively for future approved projects (Note 7).

SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

3. MARKETABLE SECURITIES

	2018 Cost	2018 Market value	2017 Cost	2017 Market value
Short term note due July 2018	\$ -	\$ -	\$ 73,505	\$ 73,505
Short term note due August 2018	-	-	103,186	103,186
Short term note due August 2018	-	-	51,209	51,209
Short term note due September 2018	-	-	50,000	50,000
Short term note due September 2018	-	-	50,000	50,000
Short term note due September 2018	-	-	50,000	50,000
Short term note due December 2018	-	-	152,863	152,863
Short term note due August 2019	103,752	103,752	-	-
Short term note due July 2019	75,057	75,057	-	-
Short term note due July 2019	50,184	50,184	-	-
Short term note due July 2019	51,410	51,410	-	-
Short term note due January 2019	152,863	152,863	-	-
	\$ 433,266	\$ 433,266	\$ 530,763	\$ 530,763

Short term notes and deposits have effective interest rates of .045% to 1.30% (2017 – 0.45% to 1.05%) and mature in less than one year. See Note 2 for the breakdown between the restricted and unrestricted portions.

4. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2018	2017
Current taxes and grants in place of taxes	\$ 8,419	\$ 17,638
Arrears taxes and grants in place of taxes	14,626	12,790
	\$ 23,045	\$ 30,428

5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants receivable are comprised of:

	2018	2017
Municipal Sustainability Initiative - Capital	\$ 408,907	\$ 295,862
Basic Municipal Transportation Grant	11,533	11,533
Alberta Community Partnership (ACP) Program	15,000	-
Subtotal	435,440	307,395
Goods and Services Tax receivable	14,653	4,944
	\$ 450,093	\$ 312,339

SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land improvements	\$ 39,918	\$ 6,995	\$ 32,923	\$ 31,566
Buildings	4,124	2,887	1,237	1,319
Machinery and equipment	4,111	2,757	1,354	1,472
Engineered structures	814,406	243,152	571,254	383,917
Assets under construction	13,529	-	13,529	-
	\$ 876,088	\$ 255,791	\$ 620,297	\$ 418,274

The net book value of the tangible capital assets at year end also represents the amount of equity in tangible capital assets.

Equity in tangible capital assets equals the tangible capital assets balance.

7. DEFERRED REVENUE

Deferred revenue is comprised of:

	2018	2017
Basic Municipal Transportation Grant	\$ 11,363	\$ 11,363
Federal Gas Tax Fund	11,067	10,733
Municipal Sustainability Initiative - Capital	181,708	305,602
Alberta Community Partnership (ACP) Program	15,000	-
FireSmart Community Grant	-	9,801
	\$ 219,138	\$ 337,499

Basic Municipal Transportation Grant

The Basic Municipal Transportation Grant is restricted to eligible capital transportation projects as approved under the funding agreement. Funds from this grant are being deferred for a future road paving project. Unexpended funds related to the advance are supported by restricted cash exclusively for these projects (refer to Note 2).

Federal Gas Tax Fund

The Federal Gas Tax Fund and is restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advance are supported by restricted cash exclusively for these projects (refer to Note 2).

Municipal Sustainability Initiative - Capital

The Municipal Sustainability Initiative - Capital is restricted to eligible capital projects, as approved under the funding agreement, which are scheduled for completion in the next 3 to 5 years. Unexpended funds related to the advance are supported by restricted cash exclusively for these projects (refer to Note 2).

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SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

7. DEFERRED REVENUE *(continued)*

2018 2017

FireSmart Community Grant

The FireSmart Community Grant is restricted to eligible projects as approved under the funding agreement. Funds from this grant are being deferred for future wildfire reduction projects. Unexpended funds related to the advance are supported by restricted cash exclusively for these projects (refer to Note 2).

8. DEBT LIMITS

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

	2018	2017
Total debt limit	\$ 281,358	\$ 281,217
Total debt	-	-
Amount of debt limit unused	281,358	281,217
Debt servicing limit	46,893	46,870
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 46,893	\$ 46,870

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk, if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

9. SEGMENTED DISCLOSURE

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

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

10. RELATED PARTY TRANSACTIONS

The Summer Village made purchases of \$12,600 (2017 - \$12,000) from the Chief Administration Office for annual grass cutting services.

SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

11. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

			2018			2017
	Salary (1)	Benefits & allowances (2)	Total			Total
P. Golanski - Councilor	\$ 1,800	\$ -	\$ 1,800	\$		1,200
F. Harmatys - Councilor	1,200	-	1,200			1,200
L. Habiak - Councilor	1,200	-	1,200			1,200
Chief Administrative Officer	24,000	-	24,000			24,000
	\$ 28,200	\$ -	\$ 28,200	\$		27,600

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

12. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy and long term debt.

It is management's opinion that the Summer Village is not exposed to significant interest or currency risks arising from these financial instruments.

Credit risk

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

Fair value

The summer village's carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the summer village for debt with similar terms.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

SUMMER VILLAGE OF BONDISS
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

15. BUDGET AMOUNTS

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