

**VILLAGE OF ROCKYFORD**  
**Consolidated Financial Statements**  
**For the year ended December 31, 2021**

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**VILLAGE OF ROCKYFORD**  
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**For the year ended December 31, 2021**

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**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, 2021, and the consolidated statements of operations, change in net financial assets 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, 2021, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

*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.

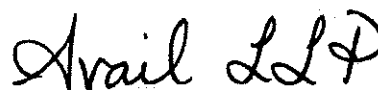
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *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 Village's debt limit can be found in note 15.
- **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 16.

Lethbridge, Alberta

September 14, 2022



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.

  
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Village Administrator

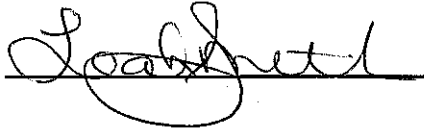
**VILLAGE OF ROCKYFORD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2021**

	2021	2020
<b>Financial assets</b>		
Cash and temporary investments (note 2)	\$ 1,597,325	\$ 2,358,361
Taxes and grants in place of taxes receivable (note 3)	205,562	181,385
Trade and other receivables (note 4)	706,386	1,134,601
Land held for resale	62,075	62,075
Investments (note 5)	1,521	1,521
	2,572,869	3,737,943
<b>Liabilities</b>		
Line of credit (note 6)	93,467	-
Accounts payable and accrued liabilities	908,365	1,588,575
Deferred revenue (note 7)	817,416	1,373,740
Long-term debt (note 8)	475,980	521,078
Other liabilities	11,689	16,441
	2,306,917	3,499,834
<b>Net financial assets</b>	265,952	238,109
<b>Non-financial assets</b>		
Prepaid expenses	-	4,598
Tangible capital assets (schedule 2)	36,726,437	36,812,030
	36,726,437	36,816,628
<b>Accumulated surplus</b> (note 9 and schedule 1)	\$ 36,992,389	\$ 37,054,737

*Commitment* (note 19)

Approved on behalf of Council:

Councillor



Councillor



**VILLAGE OF ROCKYFORD**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the year ended December 31, 2021

	Budget (Unaudited)	2021	2020
<b>Revenue</b>			
Net municipal property taxes (note 12)	\$ 358,747	\$ 358,777	\$ 358,177
User fees and sales of goods	504,119	530,969	554,983
Government transfers for operating (note 13)	35,100	84,269	83,540
Investment income	8,488	10,702	5,656
Penalties and costs of taxes	28,000	37,886	34,052
Licenses and permits	3,000	4,642	4,405
Franchise and concession contracts	44,000	46,521	50,917
Other	44,049	36,671	98,164
	<u>1,025,503</u>	<u>1,110,437</u>	<u>1,189,894</u>
<b>Expenses (note 14)</b>			
Legislative	30,950	25,168	21,553
Administration	198,460	186,545	185,896
Protective services	119,767	105,809	115,985
Common and equipment pool	59,477	58,552	56,560
Roads, streets, walks and lighting	137,039	131,028	112,254
Storm sewers and drainage	3,500	2,638	3,071
Water supply and distribution	1,265,533	1,366,045	1,286,953
Wastewater treatment and disposal	48,224	41,585	43,576
Waste management	35,408	41,618	44,334
Public health and welfare services	2,715	2,715	4,343
Planning and development	71,937	79,291	95,447
Parks and recreation	41,310	60,517	48,003
Culture - libraries, museums, halls	7,072	7,072	12,072
	<u>2,021,392</u>	<u>2,108,583</u>	<u>2,030,047</u>
<b>Deficiency of revenue over expenses before other</b>	<u>(995,889)</u>	<u>(998,146)</u>	<u>(840,153)</u>
<b>Other</b>			
Government transfers for capital (note 13)	618,000	935,798	3,441,480
<b>(Deficiency) excess of revenue over expenses</b>	<u>(377,889)</u>	<u>(62,348)</u>	<u>2,601,327</u>
<b>Accumulated surplus, beginning of year</b>	<u>37,054,737</u>	<u>37,054,737</u>	<u>34,453,410</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 36,676,848</u>	<u>\$ 36,992,389</u>	<u>\$ 37,054,737</u>

**VILLAGE OF ROCKYFORD**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31, 2021**

	Budget (Unaudited)	2021	2020
<b>(Deficiency) excess of revenue over expenses</b>	\$ (377,889)	\$ (62,348)	\$ 2,601,327
Acquisition of tangible capital assets	(618,000)	(952,817)	(3,453,173)
Amortization of tangible capital assets	1,038,409	1,038,408	1,006,671
	420,409	85,591	(2,446,502)
Net change in prepaid expense	-	4,600	484
<b>Increase in net financial assets</b>	42,520	27,843	155,309
<b>Net financial assets, beginning of year</b>	238,109	238,109	82,800
<b>Net financial assets, end of year</b>	\$ 280,629	\$ 265,952	\$ 238,109



**VILLAGE OF ROCKYFORD**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
For the year ended December 31, 2021

	2021	2020
<b>Operating transactions</b>		
Excess (deficiency) of revenue over expenses	\$ (62,348)	\$ 2,601,327
Adjustments for items which do not affect cash		
Amortization of tangible capital assets	1,038,408	1,006,671
	976,060	3,607,998
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(24,177)	(36,332)
Trade and other receivables	428,215	(64,659)
Prepaid expenses	4,600	484
Accounts payable and accrued liabilities	(680,210)	296,142
Deferred revenue	(556,324)	247,240
Line of credit	93,467	-
Other liabilities	(4,752)	(17,724)
	236,879	4,033,149
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(952,817)	(3,453,173)
<b>Financing transactions</b>		
Repayment of long-term debt	(45,098)	(43,091)
<b>(Decrease) increase in cash and temporary investments</b>	<b>(761,036)</b>	<b>536,885</b>
<b>Cash and temporary investments, beginning of year</b>	<b>2,358,361</b>	<b>1,821,476</b>
<b>Cash and temporary investments, end of year</b>	<b>\$ 1,597,325</b>	<b>\$ 2,358,361</b>

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**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. These financial statements include the proportionate ownership of the Wheatland Regional Corporation.

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.

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. Significant accounting policies, continued**

(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.

(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.

**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**1. Significant accounting policies, continued**

(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 for the year.

(i) Tangible capital assets

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

	Years
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.

**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**2. Cash and temporary investments**

	2021	2020
Cash	\$ 98,266	\$ 102,733
Temporary investments	1,499,059	2,255,628
	\$ 1,597,325	\$ 2,358,361

Temporary investments are comprised of T-bill savings accounts with interest rates earning an average of 0.6% (2020 - 0.9%).

**3. Taxes and grants in place of taxes receivables**

	2021	2020
Taxes and grants in place of taxes receivable	\$ 37,549	\$ 26,399
Arrears	168,013	154,986
	\$ 205,562	\$ 181,385

**4. Trade and other receivables**

	2021	2020
Wheatland Regional Corporation	\$ 507,643	\$ 498,443
Rockyford Ag Society	93,467	-
GST	43,301	173,898
Trade receivables	33,759	72,727
Rockyford Rural Fire Association	28,216	35,965
Municipal Sustainable Initiative (MSI) grant	-	163,584
Alberta Transportation - Water for Life	-	143,103
Wheatland County - Water for Life	-	46,881
	\$ 706,386	\$ 1,134,601

**5. Investments**

	2021		2020	
	Cost	Market value	Cost	Market value
UFA - patronage reserves	\$ 1,481	\$ 1,481	\$ 1,481	\$ 1,481
Treasury Board and Finance	10	10	10	10
Alberta Association of Municipal Districts & Counties	30	30	30	30
	\$ 1,521	\$ 1,521	\$ 1,521	\$ 1,521

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**6. Line of credit**

A secured line of credit was obtained during the year with ATB for a maximum of \$120,000, bearing interest at 3.45%, and is to be repaid over no longer than five years.

As at December 31, 2021 \$93,467 was outstanding (2020 - nil).

All repayments shall be made by the Rockyford Agricultural Society.

**7. Deferred revenue**

	2021	2020
Canada Community Building Fund (formerly Federal Gas Tax Fund)	\$ 303,175	\$ 202,675
Wheatland County - Water for Life	233,590	429,377
Wheatland County Infrastructure Services Program (CRISP)	185,556	185,556
Municipal Sustainability Initiative (MSI) - Capital	70,637	531,048
Alberta Community Partnership Grant	20,000	20,000
Services not yet provided	2,533	3,159
Prepaid cemetery lots	1,925	1,925
	<u>\$ 817,416</u>	<u>\$ 1,373,740</u>

**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**8. Long-term debt**

	2021	2020
Tax supported debentures - capital	\$ 475,980	\$ 511,949
Utility supported debenture - capital	-	9,129
	\$ 475,980	\$ 521,078
Current portion	\$ 37,514	\$ 43,091

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2022	\$ 37,514	\$ 16,750	\$ 54,264
2023	39,128	15,136	54,264
2024	40,813	13,451	54,264
2025	42,573	11,691	54,264
2026	28,808	9,853	38,661
Thereafter	287,144	81,776	368,920
	\$ 475,980	\$ 148,657	\$ 624,637

Debenture debt is repayable to Treasury Board and Finance and bears interest at rates ranging from 3.192% to 4.752% per annum and matures in periods 2026 through 2042. The average annual interest rate is 3.97% for 2021 (4.69% for 2020).

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

Interest on long-term debt amounted to \$18,855 (2020 - \$20,398).

The Village's total cash payments for interest in 2021 were \$18,855 (2020 - \$20,861).

**9. Accumulated surplus**

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

	2021	2020
Unrestricted surplus	\$ 735,600	\$ 763,785
Internally restricted surplus (reserves) (note 10)	6,332	-
Equity in tangible capital assets (note 11)	36,250,457	36,290,952
	\$ 36,992,389	\$ 37,054,737

**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**10. Reserves**

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

Police funding reserve

This reserve funds will be used to fund the future payments for the RCMP requisition.

	2021	2020
<b>Operating</b>		
Police funding reserve	\$ 6,332	\$ -

**11. Equity in tangible capital assets**

	2021	2020
Tangible capital assets (schedule 2)	\$ 44,538,292	\$ 43,585,476
Accumulated amortization (schedule 2)	(7,811,855)	(6,773,446)
Long-term debt (note 8)	(475,980)	(521,078)
	<b>\$ 36,250,457</b>	<b>\$ 36,290,952</b>

**12. Net municipal property taxes**

	Budget (Unaudited)	2021	2020
<b>Taxation</b>			
Real property taxes	\$ 434,776	\$ 435,777	\$ 436,623
Linear property taxes	9,176	7,831	7,544
	<b>443,952</b>	<b>443,608</b>	<b>444,167</b>
<b>Requisitions</b>			
Alberta School Foundation Fund	83,000	82,626	83,829
Wheatland Housing Management Body	2,205	2,205	2,161
	<b>85,205</b>	<b>84,831</b>	<b>85,990</b>
	<b>\$ 358,747</b>	<b>\$ 358,777</b>	<b>\$ 358,177</b>



**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**13. Government transfers**

	Budget (Unaudited)	2021	2020
<b>Transfers for operating:</b>			
Provincial government	\$ 35,100	\$ 84,269	\$ 72,866
Other local government	-	-	10,674
	35,100	84,269	83,540
<b>Transfers for capital:</b>			
Provincial government	618,000	935,798	3,279,607
Other local government	-	-	161,873
	618,000	935,798	3,441,480
	\$ 653,100	\$ 1,020,067	\$ 3,525,020

**14. Expenses by object**

	Budget (Unaudited)	2021	2020
Salaries, wages and benefits	\$ 271,980	\$ 263,778	\$ 276,191
Contracted and general services	473,067	508,087	470,520
Materials, goods, supplies and utilities	187,302	233,123	183,745
Transfers to organizations and others	26,676	35,631	70,537
Interest on long term debt	18,858	18,855	20,399
Bank charges and short term interest	600	1,255	1,002
Other expenditures	4,500	9,446	982
Amortization of tangible capital assets	1,038,409	1,038,408	1,006,671
	\$ 2,021,392	\$ 2,108,583	\$ 2,030,047

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**15. 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:

	2021	2020
Total debt limit	\$ 1,665,656	\$ 1,784,840
Total debt	475,980	521,078
	<u>\$ 1,189,676</u>	<u>\$ 1,263,762</u>
Debt servicing limit	\$ 277,609	\$ 297,473
Debt servicing	54,264	63,952
	<u>\$ 223,345</u>	<u>\$ 233,521</u>

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, 2021

**16. 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	2021	2020
Council				
Burke, Darcy	\$ 5,575	-	\$ 5,575	\$ 8,375
Smith, Leah	3,491	-	3,491	2,588
Cheshire, Dalia	1,819	-	1,819	2,187
Goodfellow, William	2,071	-	2,071	987
Geeraert, April	694	-	694	764
Henke, Tyler	406	-	406	-
Morin, Kathleen	369	-	369	-
Macdonald, Elaine	\$ 72,662	\$ 5,437	\$ 78,099	\$ 74,100

(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.

**17. 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).

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**18. Budget amounts**

The 2021 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	\$ (377,889)
Less: Long-term debt repayments	(45,098)
Capital expenditures	(618,000)
Capital equipment reserve	(4,737)
Add: Amortization	1,038,409
Appropriated surplus for capital	15,000
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Equals: Surplus budget	\$ 7,685
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**19. 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.

**20. Contaminated sites liability**

The Village has adopted PS3260 liability for contaminated sites. The Village did not identify any financial liabilities in 2021 (2020 - nil) as a result of this standard.

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**21. 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 fulfil 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.

**22. Comparative figures**

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**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, 2021 and for the year then ended as follows:

	2021 Total	2021 75% share	2021 25% share	2020 25% share
Financial assets	442,507	331,880	110,627	100,631
Liabilities	768,371	576,278	192,093	195,241
Net financial debt	(325,864)	(244,398)	(81,466)	(94,610)
Non-financial assets	94,185	70,639	23,546	27,603
Accumulated surplus	(231,679)	(173,759)	(57,920)	(67,007)
Total revenue	880,284	660,213	220,071	274,534
Total expenses	843,936	632,952	210,984	245,072
Excess of revenue over expenses	36,348	27,261	9,087	29,462

The following amounts pertain to transactions and balances between the Village and WRC. They have been adjusted using the proportionate consolidation method.

- Revenues \$259,322 (2020 - \$233,706)
- Expenses \$2,093 (2020 - \$25,116)
- Due to shareholders \$676,857 (2020 - \$664,591)
- Accounts payable \$14,694 (2020 - \$21,057)
- Share capital \$2.50 (2020 - \$2.50)

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**VILLAGE OF ROCKYFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**24. COVID-19**

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Potential impacts on the Village's business could include future decreases in revenue and delays in completing capital project work, temporary declines in investment income, closure of facilities including recreation, library, and administrative buildings, temporary and/or permanent termination of public employees and mandatory working from home requirements for those able to do so.

The Village has continued to develop strategies to manage the impacts of the COVID-19 outbreak. Administration continues to monitor revenue, expenses, and projects for the Village. Cost saving measures have been instituted where appropriate. The Village continues to follow protocols set by the Alberta Government and to make suitable adjustments in the face of the pandemic.

Management is not aware of any material impairments, at this time, that will impact the financial assets or liabilities of the Village due to the pandemic.

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

**25. Approval of financial statements**

These financial statements were approved by Council and Management.

**VILLAGE OF ROCKYFORD**  
**SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

	Schedule of changes in accumulated surplus			Schedule 1	
	Unrestricted	Restricted	Equity in tangible capital assets	2021	2020
Balance, beginning of year	\$ 763,785	\$ -	\$ 36,290,952	\$ 37,054,737	\$ 34,453,410
(Deficiency) excess of revenue over expenses	(62,348)	-	-	(62,348)	2,601,327
Unrestricted funds designated for future use	(6,332)	6,332	-	-	-
Current year funds used for tangible capital assets	(952,815)	-	952,815	-	-
Amortization of tangible capital assets	1,038,408	-	(1,038,408)	-	-
Long-term debt repaid	(45,098)	-	45,098	-	-
Change in accumulated surplus	(28,185)	6,332	(40,495)	(62,348)	2,601,327
<b>Balance, end of year</b>	<b>\$ 735,600</b>	<b>\$ 6,332</b>	<b>\$ 36,250,457</b>	<b>\$ 36,992,389</b>	<b>\$ 37,054,737</b>



**VILLAGE OF ROCKYFORD**  
**SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

Schedule of tangible capital assets	Schedule 2							
	Land	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2021	2020
<b>Cost:</b>								
Balance, beginning of year	\$ 80,696	\$ 689,275	\$ 40,991,535	\$ 803,897	\$ 982,102	\$ 37,971	\$ 43,585,475	\$ 40,132,303
Acquisitions	-	-	952,817	-	-	-	952,817	3,453,173
Transfers	-	-	37,971	-	-	(37,971)	-	-
<b>Balance, end of year</b>	<b>80,696</b>	<b>689,275</b>	<b>41,982,323</b>	<b>803,897</b>	<b>982,102</b>	<b>-</b>	<b>44,538,292</b>	<b>43,585,476</b>
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	245,142	5,380,204	556,543	591,557	-	6,773,446	5,766,775
Annual amortization	-	18,574	956,739	23,559	39,537	-	1,038,409	1,006,671
<b>Balance, end of year</b>	<b>-</b>	<b>263,716</b>	<b>6,336,943</b>	<b>580,102</b>	<b>631,094</b>	<b>-</b>	<b>7,811,855</b>	<b>6,773,446</b>
<b>Net book value</b>	<b>\$ 80,696</b>	<b>\$ 425,559</b>	<b>\$ 35,645,380</b>	<b>\$ 223,795</b>	<b>\$ 351,008</b>	<b>\$ -</b>	<b>\$ 36,726,437</b>	<b>\$ 36,812,030</b>
<b>2020 net book value</b>	<b>\$ 80,696</b>	<b>\$ 444,132</b>	<b>\$ 35,611,330</b>	<b>\$ 247,354</b>	<b>\$ 390,546</b>	<b>\$ 37,971</b>	<b>\$ 36,812,029</b>	

**VILLAGE OF ROCKYFORD**  
**SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

Schedule 3

**Schedule of segmented disclosure**

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
<b>Revenue</b>								
Net municipal property taxes	\$ 358,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,777
User fees and sales of goods	2,230	-	-	475,354	-	-	53,385	530,969
Government transfers for operating	81,119	-	-	-	-	-	3,150	84,269
Investment income	10,702	-	-	-	-	-	-	10,702
Penalties and costs of taxes	37,886	-	-	-	-	-	-	37,886
Licenses and permits	-	3,837	-	-	-	805	-	4,642
Franchise and concession contracts	46,521	-	-	-	-	-	-	46,521
Other	6	28,216	-	104	-	8,320	25	36,671
	537,241	32,053	-	475,458	-	9,125	56,560	1,110,437
<b>Expenses</b>								
Salaries, wages and benefits	124,890	1,300	49,288	79,230	-	-	9,070	263,778
Contracted and general services	64,809	38,794	17,132	362,273	-	24,684	395	508,087
Materials, goods, supplies and utilities	9,013	23,413	33,851	84,075	-	53,958	28,813	233,123
Bank charges and short term interest	-	-	-	1,255	-	-	-	1,255
Interest on long term debt	-	-	6,818	12,037	-	-	-	18,855
Other expenditures	-	-	-	5,796	-	650	-	9,446
Transfers to organizations and others	-	2,528	-	14,189	-	-	-	35,631
Amortization of tangible capital assets	13,002	39,773	85,129	890,394	-	-	-	1,038,408
	211,714	105,808	192,218	1,449,249	2,714	79,292	67,588	2,108,583
<b>Excess (deficiency) of revenue over expenses before other</b>	325,527	(73,755)	(192,218)	(973,791)	(2,714)	(70,167)	(11,028)	(998,146)
<b>Other</b>								
Government transfers for capital	-	-	639,217	296,581	-	-	-	935,798
<b>Excess (deficiency) of revenue over expenses</b>	\$ 325,527	\$ (73,755)	\$ 446,999	\$ (677,210)	\$ (2,714)	\$ (70,167)	\$ (11,028)	\$ (62,348)