

**SUMMER VILLAGE OF HALF MOON BAY**  
**Financial Statements**  
**For The Year Ended December 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of Summer Village of Half Moon Bay

### *Opinion*

We have audited the financial statements of Summer Village of Half Moon Bay (the Summer Village), which comprise the statement of financial position as at December 31, 2021, and the statements of annual surplus and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Summer Village as at December 31, 2021, 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 *Auditors' Responsibilities for the Audit of the 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 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 Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the 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.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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Independent Auditors' Report to the Mayor and Council of Summer Village of Half Moon Bay *(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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 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.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta

March 2, 2022

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

To His Worship the Mayor and Members of Council of the Summer Village of Half Moon Bay

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Summer Village Council to express an opinion on the Summer Village's financial statements.

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Mr. Tanner Evans  
Chief Administrative Officer

**SUMMER VILLAGE OF HALF MOON BAY****Statement of Financial Position****As At December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 930,821	\$ 958,792
Receivables (Note 2)	4,590	24,971
Deposit	-	100,000
	<u>935,411</u>	<u>1,083,763</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	26,512	25,312
Deposit liabilities	5,000	6,000
Deferred revenue (Note 3)	122,232	188,988
Due to other Sylvan Summer Villages (Note 4)	297,524	70,812
	<u>451,268</u>	<u>291,112</u>
<b>NET FINANCIAL ASSETS</b>	<u>484,143</u>	<u>792,651</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	898,488	548,327
Prepaid expenses	103	88
	<u>898,591</u>	<u>548,415</u>
<b>ACCUMULATED SURPLUS (Note 6)</b>	<u>\$ 1,382,734</u>	<u>\$ 1,341,066</u>
Contingencies (Note 8)		

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Statement of Annual Surplus and Accumulated Surplus**  
**For the Year Ended December 31, 2021**

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 145,409	\$ 145,413	\$ 140,133
Government transfers for operating (Schedule 3)	5,703	11,243	31,171
Interest	12,000	3,731	6,698
Penalties and costs on taxes	2,000	2,132	3,606
Licenses and permits	552	1,758	742
Sales and user charges (Schedule 4)	260	700	150
Other	508	579	40
	<u>166,432</u>	<u>165,556</u>	<u>182,540</u>
<b>EXPENSES</b>			
Administration	48,562	67,750	57,228
Parks and recreation	6,828	33,812	43,219
Roads, streets, walks and lighting	32,598	32,033	30,912
Fire	9,008	26,852	5,656
Legislative	21,176	12,186	11,030
Waste management	11,742	8,902	8,813
Waste water treatment and disposal	18,563	8,274	22,916
Police	3,679	3,169	2,111
Environment	5,340	1,718	3,262
Culture: libraries, museums and halls	365	359	359
Family and community support services	571	238	571
	<u>158,432</u>	<u>195,293</u>	<u>186,077</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	8,000	(29,737)	(3,537)
<b>OTHER REVENUE</b>			
Government transfers for capital (Schedule 3)	104,000	71,405	276,232
<b>ANNUAL SURPLUS</b>	112,000	41,668	272,695
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	1,341,066	1,341,066	1,068,371
<b>ACCUMULATED SURPLUS, END OF YEAR</b> (Note 6)	<u>\$ 1,453,066</u>	<u>\$ 1,382,734</u>	<u>\$ 1,341,066</u>

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Statement of Changes in Net Financial Assets**  
**For the Year Ended December 31, 2021**

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
<b>ANNUAL SURPLUS</b>	\$ 112,000	\$ 41,668	\$ 272,695
Acquisition of tangible capital assets	(106,000)	(403,118)	(176,232)
Amortization of tangible capital assets	-	52,957	39,590
	6,000	(308,493)	136,053
Use of prepaid expenses	-	(15)	2,538
<b>INCREASE IN NET FINANCIAL ASSETS</b>	6,000	(308,508)	138,591
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	792,651	792,651	654,060
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 798,651	\$ 484,143	\$ 792,651

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 41,668	\$ 272,695
Non-cash items not included in annual surplus:		
Amortization	52,957	39,590
	<u>94,625</u>	<u>312,285</u>
Changes in non-cash working capital balances related to operations:		
Receivables	20,381	(9,705)
Accounts payable and accrued liabilities	1,200	(35,569)
Deferred revenue	(66,756)	95,110
Deposit liabilities	(1,000)	-
Prepaid expenses	(15)	2,538
Deposits	100,000	(100,000)
	<u>53,810</u>	<u>(47,626)</u>
Cash flow from operating activities	<u>148,435</u>	<u>264,659</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	<u>(403,118)</u>	<u>(176,232)</u>
<b>FINANCING ACTIVITIES</b>		
Advances from other Sylvan Summer Villages	<u>226,712</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH</b>	<u>(27,971)</u>	<u>88,427</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>958,792</u>	<u>870,365</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 930,821</u>	<u>\$ 958,792</u>

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Schedule of Equity in Tangible Capital Assets**  
**For the Year Ended December 31, 2021**

**(Schedule 1)**

	<b>2021</b>	<b>2020</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 477,515</b>	<b>\$ 340,873</b>
Acquisition of tangible capital assets	<b>403,118</b>	176,232
Amortization of tangible capital assets	<b>(52,957)</b>	(39,590)
Advances from other Sylvan Summer Villages	<b>(226,712)</b>	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 600,964</b>	<b>\$ 477,515</b>
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value) <i>(Note 5)</i>	<b>\$ 898,488</b>	<b>\$ 548,327</b>
Due to other Sylvan Summer Villages	<b>(297,524)</b>	(70,812)
	<b>\$ 600,964</b>	<b>\$ 477,515</b>

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY****Schedule of Property Taxes****(Schedule 2)****For the Year Ended December 31, 2021**

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 252,139	\$ 252,140	\$ 245,901
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	106,730	106,727	105,768
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 145,409</u>	<u>\$ 145,413</u>	<u>\$ 140,133</u>

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2021**

**(Schedule 3)**

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government conditional transfers	\$ 5,703	\$ 11,243	\$ 31,171
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government conditional transfers	104,000	71,405	276,232
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 109,703</u>	<u>\$ 82,648</u>	<u>\$ 307,403</u>

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2021**

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 32,894	\$ 2,554	\$ 30,021	\$ 25,406	\$ 17,177	\$ 37,361	\$ 145,413
Government transfers	11,243	-	-	-	-	-	11,243
Interest	3,731	-	-	-	-	-	3,731
All other	5,169	-	-	-	-	-	5,169
	<u>53,037</u>	<u>2,554</u>	<u>30,021</u>	<u>25,406</u>	<u>17,177</u>	<u>37,361</u>	<u>165,556</u>
<b>EXPENSES</b>							
Contracted and general services	20,160	2,554	30,021	25,406	17,177	4,638	99,956
Salaries, wages and benefits	27,640	-	-	-	-	9,503	37,143
Materials, goods, and supplies	5,237	-	-	-	-	-	5,237
	<u>53,037</u>	<u>2,554</u>	<u>30,021</u>	<u>25,406</u>	<u>17,177</u>	<u>14,141</u>	<u>142,336</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>							
Amortization	-	-	-	-	-	23,220	23,220
	<u>(14,713)</u>	<u>(31,617)</u>	<u>-</u>	<u>(6,627)</u>	<u>-</u>	<u>-</u>	<u>(52,957)</u>
<b>NET REVENUE</b>	<u>\$ 14,713</u>	<u>\$ 31,617</u>	<u>\$ -</u>	<u>\$ 6,627</u>	<u>\$ -</u>	<u>\$ 23,220</u>	<u>\$ (29,737)</u>

The accompanying notes are an integral part of these financial statements.

**SUMMER VILLAGE OF HALF MOON BAY**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2020**

**(Schedule 4)**

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 32,646	\$ 3,779	\$ 7,767	\$ 25,295	\$ 19,730	\$ 50,916	\$ 140,133
Government transfers	8,421	10,750	-	-	12,000	-	31,171
Interest	6,698	-	-	-	-	-	6,698
All other	4,538	-	-	-	-	-	4,538
	<u>52,303</u>	<u>14,529</u>	<u>7,767</u>	<u>25,295</u>	<u>31,730</u>	<u>50,916</u>	<u>182,540</u>
<b>EXPENSES</b>							
Contracted and general services	\$ 22,285	\$ 14,529	\$ 7,767	\$ 25,295	\$ 31,730	\$ 5,766	\$ 107,372
Salaries, wages and benefits	27,597	-	-	-	-	9,097	36,694
Materials, goods, and supplies	2,421	-	-	-	-	-	2,421
	<u>52,303</u>	<u>14,529</u>	<u>7,767</u>	<u>25,295</u>	<u>31,730</u>	<u>14,863</u>	<u>146,487</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	-	-	-	-	-	36,053	36,053
Amortization	(4,925)	(29,049)	-	(5,616)	-	-	(39,590)
<b>NET REVENUE</b>	<u>\$ 4,925</u>	<u>\$ 29,049</u>	<u>\$ -</u>	<u>\$ 5,616</u>	<u>\$ -</u>	<u>\$ 36,053</u>	<u>\$ (3,537)</u>

The accompanying notes are an integral part of these financial statements.

**1. ACCOUNTING POLICIES**

The financial statements of the Summer Village of Half Moon Bay (the "Summer Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

*(a) Reporting Entity*

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity (Summer Village). The entity is comprised of the municipal operations and all the organizations that are owned or controlled by the Summer Village and are, therefore, accountable to Summer Village for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

*(b) Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Summer Village has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

*(c) Cash and cash equivalents*

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition. Cash consists of an operating account at a financial institution.

*(d) Use of Estimates*

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

The Village has used estimates to determine the useful lives of tangible capital assets.

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**1. ACCOUNTING POLICIES (continued)***(e) Tax Revenue*

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowing. These levies are collectable from property owners for work performed by the Town and are recognized as revenue in the year the tax is levied.

*(f) 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:

Engineered structures:	
Roadway systems	10 - 25 years
Land improvements	15 years
Buildings	25 years
Machinery & equipment	5 - 10 years

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

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

*(g) Contaminated Sites*

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

*(h) 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.

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**1. ACCOUNTING POLICIES *(continued)***

*(i) 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.

*(j) New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

**SUMMER VILLAGE OF HALF MOON BAY****Notes to Financial Statements****Year Ended December 31, 2021****2. RECEIVABLES**

	<b>2021</b>	<b>2020</b>
Goods and Services Tax rebate	\$ 2,768	\$ 7,411
Taxes and grants in place of taxes	1,822	17,558
Trade and other	-	2
	<b>\$ 4,590</b>	<b>\$ 24,971</b>

**3. DEFERRED REVENUE**

Deferred revenue consists of government grant funding received which relate to expenditures that will be incurred in future periods.

	<b>2020</b>	<b>Receipts</b>	<b>Revenue</b>	<b>2021</b>
Municipal Sustainability Initiative	\$ 143,745	\$ 1,133	\$ (61,412)	\$ 83,466
Canada Community-Building Fund	38,380	386	-	38,766
Municipal Operating Support				
Transfer	6,324	-	(6,324)	-
Other	539	-	(539)	-
	<b>\$ 188,988</b>	<b>\$ 1,519</b>	<b>\$ (68,275)</b>	<b>\$ 122,232</b>

**4. DUE TO (FROM) OTHER SYLVAN SUMMER VILLAGES**

During 2013, the Summer Villages Jarvis Bay, Norglenwold, Halfmoon Bay, Sunbreaker Cove, and Birchcliff entered into a Co-ownership Agreement ("the Agreement") for the purchase of an Administration Building. Under the terms of this Agreement each of the five Summer Villages has a 20% interest in the Administration Building.

During 2021, the Summer Villages of Jarvis Bay, Norglenwold, Halfmoon Bay, Sunbreaker Cove, and Birchcliff entered into a Co-ownership Agreement ("the Agreement") for the purchase of a new Administration Building. Under the terms of this Agreement each of the five Summer Villages has a 20% interest in the new Administration Building.

In the event that any of the Summer Villages elect to sell either of the buildings, each of the Summer Village will proportionately receive a return of their initial contribution and all remaining proceeds will be divided equally.

	<b>2021</b>	<b>2020</b>
Due to other Sylvan Summer Villages		
Summer Village of Jarvis Bay	\$ 157,522	\$ -
Summer Village of Norglenwold	140,002	70,812
	<b>\$ 297,524</b>	<b>\$ 70,812</b>

# SUMMER VILLAGE OF HALF MOON BAY

## Notes to Financial Statements

Year Ended December 31, 2021

### 5. TANGIBLE CAPITAL ASSETS

	2021 Net Book Value	2020 Net Book Value
Engineered structures		
Roadways	\$ 166,748	\$ 147,825
Buildings	348,379	144,956
Land improvements	230,171	206,894
Land	107,001	1
Machinery and equipment	46,189	48,651
	<u>\$ 898,488</u>	<u>\$ 548,327</u>

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 265,697	\$ 25,550	\$ -	\$ -	\$ 291,247
	265,697	25,550	-	-	291,247
Buildings	187,537	219,713	-	-	407,250
Machinery and equipment	117,583	5,000	-	-	122,583
Land	1	107,000	-	-	107,001
Land improvements	301,030	45,855	-	-	346,885
	<u>\$ 871,848</u>	<u>\$ 403,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,274,966</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 117,872	\$ 6,627	\$ -	\$ -	\$ 124,499
	117,872	6,627	-	-	124,499
Buildings	42,581	16,290	-	-	58,871
Machinery and equipment	68,932	7,462	-	-	76,394
Land improvements	94,136	22,578	-	-	116,714
	<u>\$ 323,521</u>	<u>\$ 52,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,478</u>

**SUMMER VILLAGE OF HALF MOON BAY****Notes to Financial Statements****Year Ended December 31, 2021****6. ACCUMULATED SURPLUS**

	2021	2020
Unrestricted surplus	\$ -	\$ 146,830
Restricted surplus		
Capital reserves (Note 7)	533,551	447,721
Operating reserves (Note 7)	248,219	269,000
Equity in tangible capital assets (Schedule 1)	600,964	477,515
	<b>\$ 1,382,734</b>	<b>\$ 1,341,066</b>

**7. RESTRICTED SURPLUS**

	2021	2020
<b>Operating Reserves</b>		
General	\$ 223,219	\$ 253,000
Tax rate stabilization	25,000	16,000
	<b>\$ 248,219</b>	<b>\$ 269,000</b>
<b>Capital Reserves</b>		
Water and sewer	\$ 466,846	\$ 389,016
Roads, streets, walks, lighting	60,488	50,488
Fleet replacement	5,229	2,229
Environmental	988	988
Information technology & facilities	-	5,000
	<b>\$ 533,551</b>	<b>\$ 447,721</b>

**8. CONTINGENCIES**

- a) The Summer Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Summer Village could become liable for its proportionate shares 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.
- b) The Summer Village is a member of the Sylvan Lake Regional Wastewater Commission. Under the terms of this membership, the Summer Village is liable for its proportionate share of any losses incurred by the Commission. Any liability would be accounted for in the year the losses are determined.

**9. CONTRACTUAL OBLIGATIONS**

- a) The Summer Village has entered into an agreement for assessment services for five years from April 2020 to March 2025. The cost of assessment services will be \$2,800 for each of the five years respectively.
- b) The Summer Village has entered into an agreement for fire protection services for three years from 2020 to 2023. The cost of assessment services will be \$6,300 for each of the three years respectively.

**10. 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 be disclosed as follows:

	2021	2020
Total debt limit	\$ 248,334	\$ 273,810
Total debt	-	-
<b>Total debt limit remaining</b>	<b>\$ 248,334</b>	<b>\$ 273,810</b>
Service on debt limit	\$ 41,389	\$ 45,635
Service on debt	-	-
<b>Total service on debt limit remaining</b>	<b>\$ 41,389</b>	<b>\$ 45,635</b>

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

**11. FINANCIAL INSTRUMENTS**

The Summer Village's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Summer Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Summer Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Summer Village's credit risk.

**12. SEGMENTED INFORMATION**

The Summer Village provides a range of services to its citizens. 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.

**13. BUDGET FIGURES**

The 2021 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on December 8, 2020. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

Budget figures are presented for information purposes only and are unaudited.

	2021 Budget	2021 Actual
Annual surplus	\$ 112,000	\$ 41,668
Purchase of tangible capital assets	(106,000)	(403,118)
Transfer (to) from reserves	(6,000)	(139,330)
	<u>\$ -</u>	<u>\$ (500,780)</u>

**14. SALARIES AND BENEFITS DISCLOSURE**

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

	Salary (1)	Benefits (2)	2021	2020
Mayor Johnston	\$ 1,440	\$ 44	\$ 1,484	\$ -
Councillors				
Pashak	3,700	45	3,745	2,910
Remington	1,400	39	1,439	-
Hiscock	1,000	-	1,000	2,820
Skakun	1,000	-	1,000	2,100
	<u>\$ 8,540</u>	<u>\$ 128</u>	<u>\$ 8,668</u>	<u>\$ 7,830</u>
Chief Administrative Officer:				
Evans	\$ 5,400	\$ 431	\$ 5,831	\$ 5,866
Designated Officer				
(Assessor)	\$ 3,000	\$ -	\$ 3,000	\$ 3,200

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

(3) 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. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.