

SUMMER VILLAGE OF HALF MOON BAY
Financial Statements
For The Year Ended December 31, 2022

INDEPENDENT AUDITORS' REPORT

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, 2022, 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, 2022, 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 8, 2023

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.

Mr. Tanner Evans
Chief Administrative Officer

SUMMER VILLAGE OF HALF MOON BAY**Statement of Financial Position****As At December 31, 2022**

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 918,681	\$ 930,821
Receivables (Note 2)	427,176	4,590
	<u>1,345,857</u>	<u>935,411</u>
LIABILITIES		
Accounts payable and accrued liabilities	8,689	26,512
Deposit liabilities	5,500	5,000
Deferred revenue (Note 3)	504,769	122,232
Due to other Sylvan Summer Villages (Note 4)	226,713	297,524
	<u>745,671</u>	<u>451,268</u>
NET FINANCIAL ASSETS	<u>600,186</u>	<u>484,143</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	829,350	898,488
Prepaid expenses	-	103
	<u>829,350</u>	<u>898,591</u>
ACCUMULATED SURPLUS (Note 6)	<u>\$ 1,429,536</u>	<u>\$ 1,382,734</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, 2022

	2022 (Budget) (Note 13)	2022 (Actual)	2021 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 145,318	\$ 145,325	\$ 145,413
Interest	4,000	18,293	3,731
Government transfers for operating (Schedule 3)	4,919	4,919	11,243
Penalties and costs on taxes	2,080	1,073	2,132
Licenses and permits	870	919	1,758
Other	520	803	579
Sales and user charges (Schedule 4)	465	600	700
	<u>158,172</u>	<u>171,932</u>	<u>165,556</u>
EXPENSES			
Administration	47,220	61,323	67,750
Parks and recreation	27,822	45,154	36,437
Roads, streets, walks and lighting	31,540	31,338	29,408
Waste management	11,740	10,349	8,902
Fire	8,248	8,190	26,852
Waste water treatment and disposal	8,379	7,729	8,274
Legislative	14,961	7,213	12,186
Policing and bylaws enforcement	4,222	3,814	3,169
Family and community support services	571	571	238
Culture: libraries, museums and halls	359	359	359
Environment	1,850	346	1,718
	<u>156,912</u>	<u>176,386</u>	<u>195,293</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>1,260</u>	<u>(4,454)</u>	<u>(29,737)</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	45,000	40,696	71,405
Gain on disposal of tangible capital assets	-	10,560	-
	<u>45,000</u>	<u>51,256</u>	<u>71,405</u>
ANNUAL SURPLUS	<u>46,260</u>	<u>46,802</u>	<u>41,668</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,382,734</u>	<u>1,382,734</u>	<u>1,341,066</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 6)	<u>\$ 1,428,994</u>	<u>\$ 1,429,536</u>	<u>\$ 1,382,734</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, 2022

	2022 (Budget) (Note 13)	2022 (Actual)	2021 (Actual)
ANNUAL SURPLUS	\$ 46,260	\$ 46,802	\$ 41,668
Acquisition of tangible capital assets	(45,000)	(43,787)	(403,118)
Amortization of tangible capital assets	-	51,410	52,957
Proceeds on disposal of tangible capital assets	-	72,075	-
(Gain) on sale of tangible capital assets	-	(10,560)	-
	1,260	115,940	(308,493)
Use of prepaid expenses	-	103	(15)
INCREASE IN NET FINANCIAL ASSETS	1,260	116,043	(308,508)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	484,143	484,143	792,651
NET FINANCIAL ASSETS, END OF YEAR	\$ 485,403	\$ 600,186	\$ 484,143

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, 2022**

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 46,802	\$ 41,668
Non-cash items not included in annual surplus:		
Amortization	51,410	52,957
Gain on disposal of tangible capital assets	(10,560)	-
	<u>87,652</u>	<u>94,625</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(422,586)	20,381
Accounts payable and accrued liabilities	(17,823)	1,200
Deferred revenue	382,537	(66,756)
Deposit liabilities	500	(1,000)
Prepaid expenses	103	(15)
Deposits	-	100,000
	<u>(57,269)</u>	<u>53,810</u>
Cash flow from operating activities	<u>30,383</u>	<u>148,435</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(43,787)	(403,118)
Proceeds on sale of tangible capital assets	72,075	-
Cash flow from (used by) capital activities	<u>28,288</u>	<u>(403,118)</u>
FINANCING ACTIVITIES		
Advances from other Sylvan Summer Villages	<u>(70,811)</u>	<u>226,712</u>
DECREASE IN CASH	<u>(12,140)</u>	<u>(27,971)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>930,821</u>	<u>958,792</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 918,681</u>	<u>\$ 930,821</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, 2022

(Schedule 1)

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 600,964	\$ 477,515
Acquisition of tangible capital assets	43,787	403,118
Amortization of tangible capital assets	(51,410)	(52,957)
Advances from other Sylvan Summer Villages	70,811	(226,712)
Net book value of tangible capital assets disposed of	(61,515)	-
BALANCE, END OF YEAR	\$ 602,637	\$ 600,964
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value) <i>(Note 5)</i>	\$ 829,350	\$ 898,488
Due to other Sylvan Summer Villages	(226,713)	(297,524)
	\$ 602,637	\$ 600,964

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, 2022**

	2022 (Budget) (Note 13)	2022 (Actual)	2021 (Actual)
TAXATION			
Real property taxes	\$ 258,053	\$ 258,057	\$ 252,140
REQUISITIONS			
Alberta School Foundation Fund	112,735	112,732	106,727
NET MUNICIPAL PROPERTY TAXES	<u>\$ 145,318</u>	<u>\$ 145,325</u>	<u>\$ 145,413</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, 2022

(Schedule 3)

	2022 (Budget) (Note 13)	2022 (Actual)	2021 (Actual)
TRANSFERS FOR OPERATING			
Provincial government conditional transfers	\$ 4,919	\$ 4,919	\$ 11,243
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	45,000	40,696	71,405
TOTAL GOVERNMENT TRANSFERS	\$ 49,919	\$ 45,615	\$ 82,648

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, 2022

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 23,835	\$ 13,955	\$ 12,004	\$ 22,367	\$ 18,078	\$ 55,086	\$ 145,325
Interest	18,293	-	-	-	-	-	18,293
Government transfers	4,919	-	-	-	-	-	4,919
All other	3,395	-	-	-	-	-	3,395
	<u>50,442</u>	<u>13,955</u>	<u>12,004</u>	<u>22,367</u>	<u>18,078</u>	<u>55,086</u>	<u>171,932</u>
EXPENSES							
Contracted and general services	19,586	13,955	12,004	22,367	18,078	2,883	88,873
Salaries, wages and benefits	27,889	-	-	-	-	5,247	33,136
Materials, goods, and supplies	2,967	-	-	-	-	-	2,967
	<u>\$ 50,442</u>	<u>\$ 13,955</u>	<u>\$ 12,004</u>	<u>\$ 22,367</u>	<u>\$ 18,078</u>	<u>\$ 8,130</u>	<u>\$ 124,976</u>
NET REVENUE, BEFORE AMORTIZATION							
Amortization	-	-	-	-	-	46,956	46,956
	(10,881)	(31,558)	-	(8,971)	-	-	(51,410)
NET REVENUE	<u>\$ 10,881</u>	<u>\$ 31,558</u>	<u>\$ -</u>	<u>\$ 8,971</u>	<u>\$ -</u>	<u>\$ 46,956</u>	<u>\$ (4,454)</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
REVENUE							
Taxation	\$ 32,894	\$ 5,179	\$ 30,021	\$ 22,781	\$ 17,177	\$ 37,361	\$ 145,413
Government transfers	11,243	-	-	-	-	-	11,243
All other	5,169	-	-	-	-	-	5,169
Interest	3,731	-	-	-	-	-	3,731
	<u>53,037</u>	<u>5,179</u>	<u>30,021</u>	<u>22,781</u>	<u>17,177</u>	<u>37,361</u>	<u>165,556</u>
EXPENSES							
Contracted and general services	\$ 20,160	\$ 5,179	\$ 30,021	\$ 22,781	\$ 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>5,179</u>	<u>30,021</u>	<u>22,781</u>	<u>17,177</u>	<u>14,141</u>	<u>142,336</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	-	23,220	23,220
Amortization	(14,713)	(31,617)	-	(6,627)	-	-	(52,957)
NET REVENUE	<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.

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.

2. RECEIVABLES

	2022	2021
Government transfers	\$ 420,177	\$ -
Goods and Services Tax rebate	6,940	2,768
Taxes and grants in place of taxes	59	1,822
	\$ 427,176	\$ 4,590

3. DEFERRED REVENUE

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

	2021	Allocations	Expended	2022
Municipal Sustainability Initiative	\$ 83,466	\$ 377,681	\$ (40,696)	\$ 420,451
Canada Community-Building Fund	38,766	45,552	-	84,318
	\$ 122,232	\$ 423,233	\$ (40,696)	\$ 504,769

4. DUE TO (FROM) OTHER SYLVAN SUMMER VILLAGES

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.

	2022	2021
Due to other Sylvan Summer Villages		
Summer Village of Jarvis Bay	\$ 157,522	\$ 157,522
Summer Village of Norglenwold	69,191	140,002
	\$ 226,713	\$ 297,524

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2022

5. TANGIBLE CAPITAL ASSETS

	2022 Net Book Value	2021 Net Book Value
Engineered structures		
Roadways	\$ 198,782	\$ 166,748
Buildings	274,407	348,379
Land improvements	207,651	230,171
Land	107,001	107,001
Machinery and equipment	38,727	46,189
Vehicles	2,782	-
	<u>\$ 829,350</u>	<u>\$ 898,488</u>

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 291,247	\$ 40,696	\$ -	\$ -	\$ 331,943
Buildings	407,250	-	95,812	-	311,438
Machinery and equipment	122,583	-	-	-	122,583
Land	107,001	-	-	-	107,001
Land improvements	346,885	-	-	-	346,885
Vehicles	-	3,091	-	-	3,091
	<u>\$ 1,274,966</u>	<u>\$ 43,787</u>	<u>\$ 95,812</u>	<u>\$ -</u>	<u>\$ 1,222,941</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 124,499	\$ 8,662	\$ -	\$ -	\$ 133,161
Buildings	58,871	12,457	(34,297)	-	37,031
Machinery and equipment	76,394	7,462	-	-	83,856
Land improvements	116,714	22,520	-	-	139,234
Vehicles	-	309	-	-	309
	<u>\$ 376,478</u>	<u>\$ 51,410</u>	<u>\$ (34,297)</u>	<u>\$ -</u>	<u>\$ 393,591</u>

6. ACCUMULATED SURPLUS

	2022	2021
Unrestricted surplus	\$ 35,510	\$ -
Restricted surplus		
Capital reserves (Note 7)	546,460	533,551
Operating reserves (Note 7)	244,929	248,219
Equity in tangible capital assets (Schedule 1)	602,637	600,964
	<u>\$ 1,429,536</u>	<u>\$ 1,382,734</u>

7. RESTRICTED SURPLUS

	2022	2021
Operating Reserves		
General	\$ 214,429	\$ 223,219
Tax rate stabilization	25,000	25,000
Infrastructure	5,500	-
	<u>\$ 244,929</u>	<u>\$ 248,219</u>
Capital Reserves		
Water and sewer	\$ 481,846	\$ 466,846
Roads, streets, walks, lighting	60,488	60,488
Fleet replacement	3,138	5,229
Environmental	988	988
	<u>\$ 546,460</u>	<u>\$ 533,551</u>

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:

	2022	2021
Total debt limit	\$ 257,898	\$ 248,334
Total debt	-	-
Total debt limit remaining	\$ 257,898	\$ 248,334
Service on debt limit	\$ 42,983	\$ 41,389
Service on debt	-	-
Total service on debt limit remaining	\$ 42,983	\$ 41,389

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 2022 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on January 26, 2022. 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.

	2022 Budget	2022 Actual
Annual surplus	\$ 46,260	\$ 46,802
Purchase of tangible capital assets	(45,000)	(43,787)
Transfer (to) from reserves	(1,260)	(12,710)
	<u>\$ -</u>	<u>\$ (9,695)</u>

14. SALARIES AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits (2)	2022	2021
Mayor Johnston	\$ 1,585	\$ 38	\$ 1,623	\$ 1,484
Councillors				
Pashak	1,900	47	1,947	3,745
Remington	700	-	700	1,439
Hiscock	-	-	-	1,000
Skakun	-	-	-	1,000
	<u>\$ 4,185</u>	<u>\$ 85</u>	<u>\$ 4,270</u>	<u>\$ 8,668</u>
Chief Administrative Officer:				
Evans	\$ 5,673	\$ 481	\$ 6,154	\$ 5,831
Designated Officer (Assessor)	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including Canada pension plan, 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. COMPARATIVE FIGURES

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

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
