

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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Summer Village of Jarvis Bay

Opinion

We have audited the financial statements of Summer Village of Jarvis 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, changes in 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 *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.

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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:

- 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 7, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Mayor and Members of Council of the Summer Village of Jarvis 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 JARVIS BAY
Statement of Financial Position
As At December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,051,500	\$ 1,924,836
Receivables (Note 2)	383,441	41,852
Due from other Sylvan Summer Villages (Note 3)	546,900	476,089
	<u>2,981,841</u>	<u>2,442,777</u>
LIABILITIES		
Accounts payable and accrued liabilities	46,244	63,699
Deposit liabilities	58,500	22,000
Deferred revenue (Note 4)	463,440	111,406
	<u>568,184</u>	<u>197,105</u>
NET FINANCIAL ASSETS	<u>2,413,657</u>	<u>2,245,672</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	1,112,807	1,243,645
Prepaid expenses	-	133
	<u>1,112,807</u>	<u>1,243,778</u>
ACCUMULATED SURPLUS (Note 6)	<u>\$ 3,526,464</u>	<u>\$ 3,489,450</u>
Contingent liabilities (Note 8)		

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

SUMMER VILLAGE OF JARVIS BAY
Statement of Annual Surplus and Accumulated Surplus
For the Year Ended December 31, 2022

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 419,456	\$ 419,471	\$ 408,821
Sales and user charges (Schedule 4)	65,459	67,405	63,417
Interest	8,106	45,863	9,261
Licenses and permits	2,226	10,883	6,968
Government transfers for operating (Schedule 3)	10,636	10,636	30,629
Penalties and costs on taxes	10,000	10,312	11,220
Other	1,070	598	2,937
Fines	500	100	100
	<u>517,453</u>	<u>565,268</u>	<u>533,353</u>
EXPENSES			
Administration	165,508	177,487	185,219
Roads, streets, walks and lighting	101,784	97,417	125,579
Wastewater treatment and disposal	86,527	95,202	100,918
Parks and recreation	57,695	71,449	71,024
Waste management	36,641	32,437	36,951
Legislative	18,217	19,247	16,930
Policing	15,000	18,972	13,464
Protective services	53,594	16,070	26,414
Public health & welfare services	3,439	3,438	1,433
Environment	3,372	2,617	2,430
Disaster and emergency services	2,220	2,530	-
Library	1,821	1,948	1,821
	<u>545,818</u>	<u>538,814</u>	<u>582,183</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME (EXPENSES)	<u>(28,365)</u>	<u>26,454</u>	<u>(48,830)</u>
OTHER INCOME (EXPENSES)			
Gain (loss) on disposal of tangible capital assets	-	10,560	(121,213)
Government transfers for capital	-	-	1,371
	<u>-</u>	<u>10,560</u>	<u>(119,842)</u>
ANNUAL SURPLUS (DEFICIT)	<u>(28,365)</u>	<u>37,014</u>	<u>(168,672)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,489,450</u>	<u>3,489,450</u>	<u>3,658,122</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 6)	<u>\$ 3,461,085</u>	<u>\$ 3,526,464</u>	<u>\$ 3,489,450</u>

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

SUMMER VILLAGE OF JARVIS BAY
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2022

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ (28,365)	\$ 37,014	\$ (168,672)
Acquisition of tangible capital assets	(25,000)	(23,975)	(88,758)
Amortization of tangible capital assets	-	93,300	124,069
Proceeds on disposal of tangible capital assets	-	72,073	850,090
Loss (gain) on disposal of tangible capital assets	-	(10,560)	121,213
	(53,365)	167,852	837,942
Use (acquisition) of prepaid expenses	-	133	20,743
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(53,365)	167,985	858,685
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,245,672	2,245,672	1,386,987
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,192,307	\$ 2,413,657	\$ 2,245,672

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

SUMMER VILLAGE OF JARVIS BAY
Statement of Cash Flows
For The Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 37,014	\$ (168,672)
Non-cash items not included in excess of revenue over expenses:		
Amortization of tangible capital assets	93,300	124,069
Loss (gain) on disposal of tangible capital assets	(10,560)	121,213
	<u>119,754</u>	<u>76,610</u>
Changes in non-cash working capital balances related to operations:		
Government transfers	(341,589)	54,910
Due from Sylvan Summer Villages	(70,811)	(476,089)
Accounts payable and accrued liabilities	(17,455)	3,549
Deposit liabilities	36,500	(1,000)
Deferred revenue	352,034	(15,764)
Due to Summer Village of Norglenwold	-	(70,812)
Prepaid expenses	133	20,743
	<u>(41,188)</u>	<u>(484,463)</u>
Cash flow from (used by) operating activities	<u>78,566</u>	<u>(407,853)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(23,975)	(88,758)
Proceeds on disposal of tangible capital assets	72,073	850,089
Cash flow from capital activities	<u>48,098</u>	<u>761,331</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	126,664	353,478
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,924,836	1,571,358
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,051,500	\$ 1,924,836

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

SUMMER VILLAGE OF JARVIS BAY**Schedule of Equity in Tangible Capital Assets****(Schedule 1)****For the Year Ended December 31, 2022**

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 1,719,734	\$ 2,179,447
Acquisition of tangible capital assets	23,975	88,758
Amortization of tangible capital assets	(93,300)	(124,069)
Due from other Summer Villages	70,812	476,089
Net book value of tangible capital assets disposed of	(61,514)	(971,304)
Due to Summer Village of Norglenwold	-	70,813
BALANCE, END OF YEAR	\$ 1,659,707	\$ 1,719,734
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value) (Note 5)	\$ 1,112,807	\$ 1,243,645
Due from other Sylvan Summer Villages	546,900	476,089
	\$ 1,659,707	\$ 1,719,734

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

SUMMER VILLAGE OF JARVIS BAY
Schedule of Property Taxes
For the Year Ended December 31, 2022

(Schedule 2)

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
TAXATION			
Real property taxes	\$ 873,390	\$ 873,379	\$ 835,981
REQUISITIONS			
Alberta School Foundation Fund	453,934	453,908	427,160
NET MUNICIPAL TAXES	\$ 419,456	\$ 419,471	\$ 408,821

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

SUMMER VILLAGE OF JARVIS BAY
Schedule of Government Transfers
For the Year Ended December 31, 2022

(Schedule 3)

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
TRANSFERS FOR OPERATING			
Provincial government conditional transfers	\$ 10,636	\$ 10,636	\$ 30,629
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	-	-	1,371
TOTAL GOVERNMENT TRANSFERS	\$ 10,636	\$ 10,636	\$ 32,000

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

SUMMER VILLAGE OF JARVIS BAY
Schedule of Segmented Information
For the Year Ended December 31, 2022

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Roadways	Wastewater & Garbage	All Other	Total
REVENUE							
Taxation	\$ 110,433	\$ 43,769	\$ 37,572	\$ 55,561	\$ 50,033	\$ 122,103	\$ 419,471
Sales and user charges	575	-	-	-	65,770	1,060	67,405
Interest	45,863	-	-	-	-	-	45,863
All other	-	-	-	-	-	21,893	21,893
Government transfers	10,636	-	-	-	-	-	10,636
	<u>167,507</u>	<u>43,769</u>	<u>37,572</u>	<u>55,561</u>	<u>115,803</u>	<u>145,056</u>	<u>565,268</u>
EXPENSES							
Contracted and general services	45,276	43,769	37,572	55,561	115,803	10,776	308,757
Salaries, wages and benefits	114,782	-	-	-	-	14,526	129,308
Materials, goods, and supplies	7,449	-	-	-	-	-	7,449
	<u>\$ 167,507</u>	<u>\$ 43,769</u>	<u>\$ 37,572</u>	<u>\$ 55,561</u>	<u>\$ 115,803</u>	<u>\$ 25,302</u>	<u>\$ 445,514</u>
NET REVENUE, BEFORE AMORTIZATION							
Amortization	-	-	-	-	-	119,754	119,754
	<u>(9,980)</u>	<u>(29,628)</u>	<u>-</u>	<u>(41,856)</u>	<u>(11,836)</u>	<u>-</u>	<u>(93,300)</u>
NET REVENUE (DEFICIT)	<u>\$ 9,980</u>	<u>\$ 29,628</u>	<u>\$ -</u>	<u>\$ 41,856</u>	<u>\$ 11,836</u>	<u>\$ 119,754</u>	<u>\$ 26,454</u>

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

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

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Roadways	Wastewater & Garbage	All Other	Total
REVENUE							
Taxation	\$ 130,517	\$ 44,303	\$ 39,878	\$ 55,701	\$ 64,633	\$ 73,789	\$ 408,821
Sales and user charges	1,000	-	-	-	61,400	1,017	63,417
Government transfers	30,629	-	-	-	-	-	30,629
All other	-	-	-	-	-	21,225	21,225
Interest	9,261	-	-	-	-	-	9,261
	<u>171,407</u>	<u>44,303</u>	<u>39,878</u>	<u>55,701</u>	<u>126,033</u>	<u>96,031</u>	<u>533,353</u>
EXPENSES							
Contracted and general services	\$ 50,251	\$ 44,303	\$ 39,878	\$ 55,701	\$ 126,033	\$ 5,847	\$ 322,013
Salaries, wages and benefits	110,564	-	-	-	-	14,945	125,509
Materials, goods, and supplies	10,592	-	-	-	-	-	10,592
	<u>171,407</u>	<u>44,303</u>	<u>39,878</u>	<u>55,701</u>	<u>126,033</u>	<u>20,792</u>	<u>458,114</u>
NET REVENUE, BEFORE AMORTIZATION							
Amortization	-	-	-	-	-	75,239	75,239
	<u>(13,812)</u>	<u>(28,542)</u>	<u>-</u>	<u>(69,879)</u>	<u>(11,836)</u>	<u>-</u>	<u>(124,069)</u>
NET REVENUE (DEFICIT)	<u>\$ 13,812</u>	<u>\$ 28,542</u>	<u>\$ -</u>	<u>\$ 69,879</u>	<u>\$ 11,836</u>	<u>\$ 75,239</u>	<u>\$ (48,830)</u>

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

1. ACCOUNTING POLICIES

The financial statements of the Summer Village of Jarvis 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. 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.

Expenses 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 recognized as revenue in the year it is levied.

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

Land improvements	30 years
Engineered structures:	
Wastewater system	75 years
Roadway system	10 years
Machinery, equipment and furnishings	10 years
Buildings	25 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 Summer Village 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	\$ 352,485	\$ -
Taxes and grants in place of taxes	15,633	24,443
Goods and Services Tax rebate	10,137	3,956
Trade and other	5,186	13,453
	\$ 383,441	\$ 41,852

SUMMER VILLAGE OF JARVIS BAY**Notes to Financial Statements****December 31, 2022****3. DUE 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 from other Sylvan Summer Villages		
Due From Half Moon Bay	\$ 157,553	\$ 157,523
Due from Sunbreaker Cove	157,523	157,523
Due from Birchcliff	150,522	150,522
Due from Norglenwold	81,302	10,521
	\$ 546,900	\$ 476,089

4. DEFERRED REVENUE

	2021	Funds Received	Funds Utilized	2022
Municipal Sustainability Initiative	\$ 99,063	\$ 251,004	\$ -	\$ 350,067
Canada Community-Building Fund	9,186	104,187	-	113,373
Municipal Stimulus Program	3,157	-	(3,157)	-
	\$ 111,406	\$ 355,191	\$ (3,157)	\$ 463,440

SUMMER VILLAGE OF JARVIS BAY

Notes to Financial Statements

December 31, 2022

5. TANGIBLE CAPITAL ASSETS

	2022 Net Book Value	2021 Net Book Value
Engineered structures		
Wastewater systems	\$ 411,728	\$ 423,564
Roadways	177,489	215,987
	<u>589,217</u>	<u>639,551</u>
Buildings	273,380	350,807
Land improvements	206,364	228,122
Machinery and equipment	24,942	18,065
Vehicles	11,804	-
Land	7,100	7,100
	<u>\$ 1,112,807</u>	<u>\$ 1,243,645</u>

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 1,045,988	\$ -	\$ -	\$ -	\$ 1,045,988
Wastewater systems	586,824	-	-	-	586,824
	<u>1,632,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,632,812</u>
Buildings	422,390	-	95,812	-	326,578
Machinery and equipment	28,969	10,860	-	-	39,829
Land	7,100	-	-	-	7,100
Land improvements	347,766	-	-	-	347,766
Vehicles	-	13,115	-	-	13,115
	<u>\$ 2,439,037</u>	<u>\$ 23,975</u>	<u>\$ 95,812</u>	<u>\$ -</u>	<u>\$ 2,367,200</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 830,001	\$ 38,498	\$ -	\$ -	\$ 868,499
Wastewater systems	163,260	11,836	-	-	175,096
	<u>993,261</u>	<u>50,334</u>	<u>-</u>	<u>-</u>	<u>1,043,595</u>
Buildings	71,583	15,912	(34,297)	-	53,198
Machinery and equipment	10,904	3,983	-	-	14,887
Land improvements	119,644	21,758	-	-	141,402
Vehicles	-	1,311	-	-	1,311
	<u>\$ 1,195,392</u>	<u>\$ 93,298</u>	<u>\$ (34,297)</u>	<u>\$ -</u>	<u>\$ 1,254,393</u>

6. ACCUMULATED SURPLUS

	2022	2021
Unrestricted surplus	\$ 110,466	\$ 82,129
Restricted surplus		
Operating reserves (Note 7)	644,211	587,928
Capital reserves (Note 7)	1,112,080	1,099,659
Equity in tangible capital assets (Schedule 1)	1,659,707	1,719,734
	<u>\$ 3,526,464</u>	<u>\$ 3,489,450</u>

7. RESERVES

	2022	2021
Operating Reserves		
General contingencies	\$ 316,893	\$ 277,928
Environmental	257,318	260,000
Tax rate stabilization	70,000	50,000
	<u>\$ 644,211</u>	<u>\$ 587,928</u>
Capital Reserves		
Water & sewer	\$ 400,000	\$ 400,000
Roads, streets, walks, lighting	400,000	400,000
Reserves Capital Replacement Reserve	237,140	248,000
Twin Fawns walkway bridge	34,000	30,000
Reserves Infrastructure Reserve	20,000	-
Information technology & facilities	8,000	3,000
Jarvis Glen street lights	6,600	6,600
Reserve Enforcement	6,340	3,109
Reserves Fleet Replacement - scoreboard	-	8,950
	<u>\$ 1,112,080</u>	<u>\$ 1,099,659</u>

8. CONTINGENT LIABILITIES

- 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. 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	\$ 847,902	\$ 800,030
Total debt	-	-
Total debt limit remaining	\$ 847,902	\$ 800,030
Service on debt limit	\$ 141,317	\$ 133,338
Service on debt	-	-
Total service on debt limit remaining	\$ 141,317	\$ 133,338

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.

10. 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.

11. 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.

12. 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 Maplethorpe	\$ 9,385	\$ 341	\$ 9,726	\$ 8,102
Councillors				
Wiseman	3,000	18	3,018	3,657
Thomlinson	1,920	8	1,928	840
Garratt	-	-	-	1,847
	<u>\$ 14,305</u>	<u>\$ 367</u>	<u>\$ 14,672</u>	<u>\$ 14,446</u>
Chief Administrative Officer				
Evans	\$ 23,529	\$ 1,995	\$ 25,524	\$ 24,188
Designated Officer				
(Assessor)	\$ 6,883	\$ -	\$ 6,883	\$ 6,800

(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.

13. CONTRACTUAL OBLIGATIONS

- a) The Summer Village has entered into an agreement for basic assessment services for a five year term commencing April 2020 through March 2025. The cost of assessment services will be \$6,600 per year over the five years.
- 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 \$13,125 for each of the three years respectively.

14. BUDGET FIGURES

The 2022 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on December 7, 2021. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	<u>2022 Budget</u>	<u>2022 Actual</u>
Annual surplus (deficit)	\$ (28,365)	\$ 37,014
Purchase of tangible capital assets	(25,000)	(23,975)
Transfer (to) from reserves	53,365	(68,704)
	<u>\$ -</u>	<u>\$ (55,665)</u>

The Summer Village does not provide for amortization in its operating budget.

15. COMPARATIVE FIGURES

Certain 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.
