

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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Summer Village of Norglenwold

Opinion

We have audited the financial statements of Summer Village of Norglenwold (the Summer Village), which comprise the statement of financial position as at December 31, 2022, and the statements of operations 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 24, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Mayor and Council of the Summer Village of Norglenwold

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.

Tanner Evans
Chief Administrative Officer

SUMMER VILLAGE OF NORGLNWOLD**Statement of Financial Position****As At December 31, 2022**

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,241,764	\$ 1,718,356
Receivables (Note 2)	435,377	431,020
Due from Sylvan Summer Villages (Note 3)	207,571	420,006
	<u>2,884,712</u>	<u>2,569,382</u>
LIABILITIES		
Accounts payable and accrued liabilities	64,669	75,382
Due to other Sylvan Summer Villages (Note 3)	81,333	10,521
Deposits	55,495	72,495
Deferred revenue (Note 4)	194,728	59,501
	<u>396,225</u>	<u>217,899</u>
NET FINANCIAL ASSETS	<u>2,488,487</u>	<u>2,351,483</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	3,923,990	4,083,015
Prepaid expenses	1,127	1,348
	<u>3,925,117</u>	<u>4,084,363</u>
ACCUMULATED SURPLUS (Note 6)	<u>\$ 6,413,604</u>	<u>\$ 6,435,846</u>
Contingent liabilities (Note 8)		

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

SUMMER VILLAGE OF NORGLLENWOLD
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2022

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 465,337	\$ 463,440	\$ 458,578
Sales and user charges (Schedule 4)	92,043	92,228	92,750
Interest	10,233	48,931	14,848
Penalties and costs on taxes	20,000	23,049	28,749
Government transfers for operating (Schedule 3)	11,419	11,419	50,410
Franchise and concession contracts	9,100	11,047	10,413
Licenses and permits	4,786	2,660	14,894
Other	2,466	880	2,664
Fines	1,733	300	1,784
	<u>617,117</u>	<u>653,954</u>	<u>675,090</u>
EXPENSES			
Administration	194,163	227,669	238,580
Waste water treatment and disposal	111,112	139,791	141,559
Roads, streets, walks and lighting	89,784	110,952	118,133
Parks and recreation	56,439	58,728	59,030
Waste management	57,743	50,765	59,235
Protective services	57,606	41,911	50,697
Legislative	46,930	34,389	24,693
Land use planning, zoning and development	26,592	22,688	15,522
Family and community support	4,211	4,211	1,754
Disaster and emergency services	2,156	2,993	-
Culture: libraries, museums and halls	2,334	2,591	2,334
	<u>649,070</u>	<u>696,688</u>	<u>711,537</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>(31,953)</u>	<u>(42,734)</u>	<u>(36,447)</u>
OTHER REVENUE			
Gain on disposal of tangible capital assets	-	10,492	-
Government transfers for capital (Schedule 3)	10,000	10,000	1,266,357
	<u>10,000</u>	<u>20,492</u>	<u>1,266,357</u>
ANNUAL SURPLUS (DEFICIT)	<u>(21,953)</u>	<u>(22,242)</u>	<u>1,229,910</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>6,435,846</u>	<u>6,435,846</u>	<u>5,205,936</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 6)	<u>\$ 6,413,893</u>	<u>\$ 6,413,604</u>	<u>\$ 6,435,846</u>

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

SUMMER VILLAGE OF NORGLLENWOLD
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)	\$ (21,953)	\$ (22,242)	\$ 1,229,910
Acquisition of tangible capital assets	(10,000)	(24,452)	(1,701,940)
Amortization of tangible capital assets	-	121,894	125,034
Proceeds on disposal of tangible capital assets	-	72,075	-
(Gain) on sale of tangible capital assets	-	(10,492)	-
	(31,953)	136,783	(346,996)
Use (acquisition) of prepaid expenses	-	221	22,849
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(31,953)	137,004	(324,147)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,351,483	2,351,483	2,675,630
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,319,530	\$ 2,488,487	\$ 2,351,483

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

SUMMER VILLAGE OF NORGLNWOLD**Statement of Cash Flows****For The Year Ended December 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (22,242)	\$ 1,229,910
Non-cash item not included in annual surplus:		
Amortization of tangible capital assets	121,894	125,034
Gain on disposal of tangible capital assets	(10,492)	-
	<u>89,160</u>	<u>1,354,944</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(4,357)	(268,033)
Due from Sylvan Summer Villages	212,435	(136,758)
Accounts payable and accrued liabilities	(10,713)	18,432
Deferred revenue	135,227	(360,227)
Deposit liabilities	(17,000)	42,000
Prepaid expenses	221	22,849
Due to Summer Village of Norglenwold	70,812	10,521
	<u>386,625</u>	<u>(671,216)</u>
Cash flow from operating activities	<u>475,785</u>	<u>683,728</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(24,452)	(1,701,940)
Proceeds on sale of tangible capital assets	72,075	-
Cash flow from (used by) capital activities	<u>47,623</u>	<u>(1,701,940)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	523,408	(1,018,212)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,718,356	2,736,568
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,241,764	\$ 1,718,356

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

SUMMER VILLAGE OF NORGLLENWOLD
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2022

(Schedule 1)

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 4,492,500	\$ 2,789,357
Acquisition of tangible capital assets	24,452	1,701,940
Amortization of tangible capital assets	(121,894)	(125,034)
Advances from/to other Sylvan Summer Villages	(212,435)	136,758
Advances from Summer Village of Jarvis Bay	(70,812)	(10,521)
Net book value of tangible capital assets disposed of	(61,583)	-
BALANCE, END OF YEAR	\$ 4,050,228	\$ 4,492,500
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 3,923,990	\$ 4,083,015
Due from other Sylvan Summer Villages (Note 3)	207,571	420,006
Due to Summer Village of Jarvis Bay (Note 3)	(81,333)	(10,521)
	\$ 4,050,228	\$ 4,492,500

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

SUMMER VILLAGE OF NORGLLENWOLD**Schedule of Property Taxes****(Schedule 2)****For the Year Ended December 31, 2022**

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
TAXATION			
Real property taxes	\$ 1,011,007	\$ 1,009,070	\$ 974,573
REQUISITIONS			
Alberta School Foundation Fund	545,670	545,630	515,995
NET MUNICIPAL PROPERTY TAXES	<u>\$ 465,337</u>	<u>\$ 463,440</u>	<u>\$ 458,578</u>

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

SUMMER VILLAGE OF NORGLLENWOLD**Schedule of Government Transfers****(Schedule 3)****For the Year Ended December 31, 2022**

	2022 (Budget) (Note 14)	2022 (Actual)	2021 (Actual)
TRANSFERS FOR OPERATING			
Provincial governmentconditional transfers	\$ 11,419	\$ 11,419	\$ 50,410
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	10,000	10,000	1,266,357
TOTAL GOVERNMENT TRANSFERS	<u>\$ 21,419</u>	<u>\$ 21,419</u>	<u>\$ 1,316,767</u>

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

SUMMER VILLAGE OF NORGLENWOLD
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	\$ 129,178	\$ 34,031	\$ 44,604	\$ 64,388	\$ 68,709	\$ 122,530	\$ 463,440
Sales and user charges	575	-	-	-	91,653	-	92,228
Government transfers	11,419	-	-	-	-	-	11,419
All other	880	-	300	-	-	13,707	14,887
Penalties and costs on taxes	23,049	-	-	-	-	-	23,049
Interest	48,931	-	-	-	-	-	48,931
	<u>214,032</u>	<u>34,031</u>	<u>44,904</u>	<u>64,388</u>	<u>160,362</u>	<u>136,237</u>	<u>653,954</u>
EXPENSES							
Contracted services	66,523	34,031	44,904	61,476	160,362	24,301	391,597
Salaries, wages and benefits	135,945	-	-	-	-	32,776	168,721
Materials, goods, supplies, and utilities	11,564	-	-	2,912	-	-	14,476
	<u>\$ 214,032</u>	<u>\$ 34,031</u>	<u>\$ 44,904</u>	<u>\$ 64,388</u>	<u>\$ 160,362</u>	<u>\$ 57,077</u>	<u>\$ 574,794</u>
NET REVENUE (DEFICIT), BEFORE AMORTIZATION							
Amortization	-	-	-	-	-	79,160	79,160
	(13,637)	(31,499)	-	(46,564)	(30,194)	-	(121,894)
NET REVENUE (DEFICIT)	<u>\$ (13,637)</u>	<u>\$ (31,499)</u>	<u>\$ -</u>	<u>\$ (46,564)</u>	<u>\$ (30,194)</u>	<u>\$ 79,160</u>	<u>\$ (42,734)</u>

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

SUMMER VILLAGE OF NORGLENWOLD
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	\$ 142,900	\$ 31,619	\$ 48,913	\$ 72,266	\$ 78,800	\$ 84,080	\$ 458,578
Sales and user charges	950	-	-	-	91,800	-	92,750
Government transfers	30,995	-	-	19,415	-	-	50,410
All other	2,664	-	1,784	-	-	25,307	29,755
Penalties and costs on taxes	28,749	-	-	-	-	-	28,749
Interest	14,848	-	-	-	-	-	14,848
	<u>221,106</u>	<u>31,619</u>	<u>50,697</u>	<u>91,681</u>	<u>170,600</u>	<u>109,387</u>	<u>675,090</u>
EXPENSES							
Contracted services	\$ 67,256	\$ 31,619	\$ 50,697	\$ 71,295	\$ 170,600	\$ 17,724	\$ 409,191
Salaries, wages and benefits	135,206	-	-	-	-	22,491	157,697
Materials, goods, supplies, and utilities	18,644	-	-	971	-	-	19,615
	<u>221,106</u>	<u>31,619</u>	<u>50,697</u>	<u>72,266</u>	<u>170,600</u>	<u>40,215</u>	<u>586,503</u>
NET REVENUE (DEFICIT), BEFORE AMORTIZATION							
Amortization	(17,474)	(31,499)	-	(45,867)	(30,194)	-	(125,034)
NET REVENUE (DEFICIT)	<u>\$ (17,474)</u>	<u>\$ (31,499)</u>	<u>\$ -</u>	<u>\$ (26,452)</u>	<u>\$ (30,194)</u>	<u>\$ 69,172</u>	<u>\$ (36,447)</u>

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

1. ACCOUNTING POLICIES

The financial statements of the Summer Village of Norglenwold (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 one year 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 property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Summer Village and are recognized as revenue in the year they are 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.

SUMMER VILLAGE OF NORGLENWOLD**Notes to Financial Statements****December 31, 2022****2. RECEIVABLES**

	2022	2021
Other governments	\$ 347,195	\$ 201,968
Taxes and grants in place of taxes	58,802	61,937
Goods and Services Tax rebate	17,080	91,157
Trade and other	12,300	75,958
	\$ 435,377	\$ 431,020

3. DUE FROM / TO 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		
Half Moon Bay	\$ 69,190	\$ 140,002
Birchcliff	69,190	140,002
Sunbreaker Cove	69,190	140,002
	\$ 207,570	\$ 420,006
	2022	2021
Due to Summer Village of Jarvis Bay	\$ 81,333	\$ 10,521

Advances from / to other Summer Villages are non-interest bearing and have no set repayment terms.

4. DEFERRED REVENUE

Deferred revenue consists of funds received which relate to operating or capital costs of future periods.

	2021	Allocations	Funds Expended	2022
Municipal Sustainability Initiative	\$ 58,118	\$ 81,902	\$ -	\$ 140,020
Canada Community-Building Fund	1,383	63,325	(10,000)	54,708
	\$ 59,501	\$ 145,227	\$ (10,000)	\$ 194,728

SUMMER VILLAGE OF NORGLNWOLD

Notes to Financial Statements

December 31, 2022

5. TANGIBLE CAPITAL ASSETS

	2022 Net Book Value	2021 Net Book Value
Engineered structures		
Water and wastewater systems	\$ 1,797,174	\$ 1,827,368
Roadways	139,507	178,384
	<u>1,936,681</u>	<u>2,005,752</u>
Land	1,389,768	1,389,768
Land improvements	336,305	367,504
Buildings	202,136	272,507
Vehicles	30,335	23,164
Machinery and equipment	28,765	24,320
	<u>\$ 3,923,990</u>	<u>\$ 4,083,015</u>

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 1,534,156	\$ -	\$ -	\$ -	\$ 1,534,156
Water and wastewater systems	2,277,964	-	-	-	2,277,964
	<u>3,812,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,812,120</u>
Buildings	315,625	-	95,912	-	219,713
Machinery, equipment, and office furnishings	78,384	10,659	-	-	89,043
Land	1,389,768	-	-	-	1,389,768
Land improvements	652,267	-	-	-	652,267
Vehicles	52,427	13,793	-	-	66,220
	<u>\$ 6,300,591</u>	<u>\$ 24,452</u>	<u>\$ 95,912</u>	<u>\$ -</u>	<u>\$ 6,229,131</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 1,355,772	\$ 38,877	\$ -	\$ -	\$ 1,394,649
Water and wastewater systems	450,596	30,194	-	-	480,790
	<u>1,806,368</u>	<u>69,071</u>	<u>-</u>	<u>-</u>	<u>1,875,439</u>
Buildings	43,118	8,788	(34,329)	-	17,577
Machinery, equipment, and office furnishings	54,064	6,214	-	-	60,278
Land improvements	284,763	31,199	-	-	315,962
Vehicles	29,263	6,622	-	-	35,885
	<u>\$ 2,217,576</u>	<u>\$ 121,894</u>	<u>\$ (34,329)</u>	<u>\$ -</u>	<u>\$ 2,305,141</u>

6. ACCUMULATED SURPLUS

	2022	2021
Unrestricted surplus	\$ 538,903	\$ 123,675
Restricted surplus		
Operating reserves (Note 7)	176,873	176,873
Capital reserves (Note 7)	1,647,600	1,642,798
Equity in tangible capital assets (Schedule 1)	4,050,228	4,492,500
	<u>\$ 6,413,604</u>	<u>\$ 6,435,846</u>

7. RESERVES

	2022	2021
Operating Reserves		
General contingencies	\$ 157,629	\$ 157,629
Legal	19,244	19,244
	<u>\$ 176,873</u>	<u>\$ 176,873</u>
Capital Reserves		
Environment	\$ 914,196	\$ 919,936
Recreation	434,686	434,686
Roads	286,045	286,045
Infrastructure	12,673	-
General	-	2,131
	<u>\$ 1,647,600</u>	<u>\$ 1,642,798</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. CONTRACTUAL OBLIGATIONS

The Summer Village has entered into an agreement for basic assessment services for a five year term commencing April 2021 through March 2025. The cost of assessment services will be \$6,900 each year over the five years respectively.

10. SALARIES AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits (2)	2022	2021
Mayor Gurevitch	\$ 12,063	\$ 89	\$ 12,152	\$ 6,791
Councillors				
Ludwig	8,612	341	8,953	7,122
Rattan	5,750	178	5,928	4,787
Thiessen	-	-	-	2,823
	<u>\$ 26,425</u>	<u>\$ 608</u>	<u>\$ 27,033</u>	<u>\$ 21,523</u>
Chief Administrative Officer				
Evans	\$ 27,997	\$ 2,374	\$ 30,371	\$ 28,782
Designated officer				
Assessor	<u>\$ 7,100</u>	<u>\$ -</u>	<u>\$ 7,100</u>	<u>\$ 7,100</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 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.

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. 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	\$ 980,931	\$ 1,012,635
Total debt	-	-
Total debt limit remaining	\$ 980,931	\$ 1,012,635
Service on debt limit	\$ 163,489	\$ 168,773
Service on debt	-	-
Total service on debt limit remaining	\$ 163,489	\$ 168,773

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.

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 17, 2021. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2022 Budget	2022 Actual
Annual surplus (deficit)	\$ (21,953)	\$ (22,242)
Purchase of tangible capital assets	(10,000)	(24,452)
Transfer (to) from reserves	31,953	(4,802)
	\$ -	\$ (51,496)

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.