

SUMMER VILLAGE OF SUNBREAKER COVE
Financial Statements
For The Year Ended December 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Summer Village of Sunbreaker Cove

Opinion

We have audited the financial statements of Summer Village of Sunbreaker Cove (the Summer Village), which comprise the statement of financial position as at December 31, 2021, 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, 2021, 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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Independent Auditors' Report to the Mayor and Council of Summer Village of Sunbreaker Cove
(continued)

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 14, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Mayor and Members of Council of the Summer Village of Sunbreaker Cove

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 judgments 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 SUNBREAKER COVE**Statement of Financial Position****As At December 31, 2021**

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 411,290	\$ 2,428,930
Receivables (Note 2)	<u>1,859,460</u>	<u>30,433</u>
	<u>2,270,750</u>	<u>2,459,363</u>
LIABILITIES		
Accounts payable and accrued liabilities	483,253	53,882
Deposit liabilities	40,500	21,000
Due to other Sylvan Summer Villages (Note 3)	297,524	70,812
Deferred revenue (Note 4)	171,563	804,589
Long term debt (Note 5)	<u>500,168</u>	<u>-</u>
	<u>1,493,008</u>	<u>950,283</u>
NET FINANCIAL ASSETS	<u>777,742</u>	<u>1,509,080</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	4,016,419	650,870
Prepaid expenses	<u>262</u>	<u>20,850</u>
	<u>4,016,681</u>	<u>671,720</u>
ACCUMULATED SURPLUS (Note 7)	<u>\$ 4,794,423</u>	<u>\$ 2,180,800</u>
Contingent liabilities (Note 9)		

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

SUMMER VILLAGE OF SUNBREAKER COVE
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2021

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 329,261	\$ 329,258	\$ 305,917
Sales and user charges (Schedule 4)	28,627	207,162	37,255
Government transfers for operating (Schedule 3)	9,814	16,852	47,086
Interest	7,000	16,282	13,711
Licenses and permits	4,252	12,910	4,416
Penalties and costs on taxes	5,000	8,611	7,314
Other	-	2,428	341
Fines	-	368	110
	<u>383,954</u>	<u>593,871</u>	<u>416,150</u>
EXPENSES			
Waste water treatment and disposal	18,201	175,567	21,062
Administration	148,049	141,105	129,788
Roads, streets, walks and lighting	65,310	40,075	101,812
Protective services	54,167	35,939	40,219
Waste management	28,500	25,914	26,775
Parks and recreation	18,035	24,889	12,541
Legislative	24,516	23,014	18,364
Environment	5,931	4,790	6,026
Disaster and emergency services	3,329	2,500	2,500
Library	700	693	693
Amortization	-	41,646	28,384
	<u>366,738</u>	<u>516,132</u>	<u>388,164</u>
ANNUAL SURPLUS BEFORE OTHER REVENUE	<u>17,216</u>	<u>77,739</u>	<u>27,986</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	1,260,616	1,142,020	13,697
Wastewater collection system fees	1,165,007	1,393,864	-
	<u>2,425,623</u>	<u>2,535,884</u>	<u>13,697</u>
ANNUAL SURPLUS	<u>2,442,839</u>	<u>2,613,623</u>	<u>41,683</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>2,180,800</u>	<u>2,180,800</u>	<u>2,139,117</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 7)	<u>\$ 4,623,639</u>	<u>\$ 4,794,423</u>	<u>\$ 2,180,800</u>

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

SUMMER VILLAGE OF SUNBREAKER COVE
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2021

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
ANNUAL SURPLUS	\$ 2,442,839	\$ 2,613,623	\$ 41,683
Acquisition of tangible capital assets	(3,192,023)	(3,407,195)	(13,697)
Amortization of tangible capital assets	-	41,646	28,384
	(749,184)	(751,926)	56,370
Use (acquisition) of prepaid expenses	-	20,588	(5,129)
INCREASE IN NET FINANCIAL ASSETS	(749,184)	(731,338)	51,241
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,509,080	1,509,080	1,457,839
NET FINANCIAL ASSETS, END OF YEAR	\$ 759,896	\$ 777,742	\$ 1,509,080

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

SUMMER VILLAGE OF SUNBREAKER COVE**Statement of Cash Flows****For The Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 2,613,623	\$ 41,683
Non-cash items not included in annual surplus (deficit):		
Amortization of tangible capital assets	<u>41,646</u>	28,384
	<u>2,655,269</u>	<u>70,067</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(1,829,027)	332
Accounts payable and accrued liabilities	429,371	25,309
Deferred revenue	(633,026)	2,694
Deposit liabilities	19,500	7,350
Prepaid expenses	<u>20,588</u>	<u>(5,129)</u>
	<u>(1,992,594)</u>	<u>30,556</u>
Cash flow from operating activities	<u>662,675</u>	<u>100,623</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	<u>(3,407,195)</u>	<u>(13,697)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	503,700	-
Repayment of long term debt	(3,532)	-
Advances from other Sylvan Summer Villages	<u>226,712</u>	<u>-</u>
Cash flow from financing activities	<u>726,880</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	(2,017,640)	86,926
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,428,930</u>	<u>2,342,004</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 411,290</u>	<u>\$ 2,428,930</u>

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

SUMMER VILLAGE OF SUNBREAKER COVE
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2021

(Schedule 1)

	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 580,058	\$ 594,745
Acquisition of tangible capital assets	3,407,195	13,697
Amortization of tangible capital assets	(41,646)	(28,384)
Advances from other Sylvan Summer Villages	(226,712)	-
Long term debt proceeds	(503,700)	-
Long term debt repayments	3,532	-
BALANCE, END OF YEAR	\$ 3,218,727	\$ 580,058
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 4,016,419	\$ 650,870
Due to other Sylvan Summer Villages	(297,524)	(70,812)
Long term debt used for tangible capital assets	(500,168)	-
	\$ 3,218,727	\$ 580,058

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

SUMMER VILLAGE OF SUNBREAKER COVE**Schedule of Property Taxes****(Schedule 2)****For the Year Ended December 31, 2021**

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
TAXATION			
Real property taxes	\$ 670,595	\$ 670,592	\$ 636,570
REQUISITIONS			
Alberta School Foundation Fund	341,334	341,334	330,653
NET MUNICIPAL PROPERTY TAXES	\$ 329,261	\$ 329,258	\$ 305,917

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

SUMMER VILLAGE OF SUNBREAKER COVE
Schedule of Government Transfers
For the Year Ended December 31, 2021

(Schedule 3)

	2021 (Budget) (Note 13)	2021 (Actual)	2020 (Actual)
TRANSFERS FOR OPERATING			
Provincial government conditional transfers	\$ 9,814	\$ 16,852	\$ 47,086
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	1,260,616	1,142,020	13,697
TOTAL GOVERNMENT TRANSFERS	\$ 1,270,430	\$ 1,158,872	\$ 60,783

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

SUMMER VILLAGE OF SUNBREAKER COVE
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	\$ 104,393	\$ 25,582	\$ 38,071	\$ 40,075	\$ -	\$ 121,137	\$ 329,258
Sales and user charges	1,150	-	-	-	206,012	-	207,162
All other	2,428	-	368	-	-	21,521	24,317
Government transfers	16,852	-	-	-	-	-	16,852
Interest	16,282	-	-	-	-	-	16,282
	<u>141,105</u>	<u>25,582</u>	<u>38,439</u>	<u>40,075</u>	<u>206,012</u>	<u>142,658</u>	<u>593,871</u>
EXPENSES							
Contracted & general services	36,365	25,582	38,439	40,075	40,173	8,768	189,402
Materials, goods, supplies & utilities	16,244	-	-	-	157,262	-	173,506
Salaries, wages & benefits	88,496	-	-	-	-	19,036	107,532
Interest on long-term debt	-	-	-	-	4,046	-	4,046
	<u>\$ 141,105</u>	<u>\$ 25,582</u>	<u>\$ 38,439</u>	<u>\$ 40,075</u>	<u>\$ 201,481</u>	<u>\$ 27,804</u>	<u>\$ 474,486</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	4,531	114,854	119,385
Amortization	(13,812)	(24,834)	-	(3,000)	-	-	(41,646)
NET REVENUE	<u>\$ 13,812</u>	<u>\$ 24,834</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 4,531</u>	<u>\$ 114,854</u>	<u>\$ 77,739</u>

Current years Environmental Services sales and user charges includes the one time sale of grinder pumps related to the wastewater project totalling \$177,550.

SUMMER VILLAGE OF SUNBREAKER COVE

Schedule of Segmented Information

For the Year Ended December 31, 2020

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 100,617	\$ 13,233	\$ 38,334	\$ 69,195	\$ 15,426	\$ 69,112	\$ 305,917
Government transfers	14,469	-	-	32,617	-	-	47,086
Sales and user charges	650	-	4,275	-	32,330	-	37,255
Interest	13,711	-	-	-	-	-	13,711
All other	341	-	110	-	-	11,730	12,181
	<u>129,788</u>	<u>13,233</u>	<u>42,719</u>	<u>101,812</u>	<u>47,756</u>	<u>80,842</u>	<u>416,150</u>
EXPENSES							
Contracted services & general services	\$ 34,896	\$ 13,233	\$ 42,719	\$ 101,812	\$ 47,837	\$ 9,160	\$ 249,657
Salaries, wages & benefits	86,252	-	-	-	-	15,231	101,483
Materials, goods, & supplies	8,640	-	-	-	-	-	8,640
	<u>129,788</u>	<u>13,233</u>	<u>42,719</u>	<u>101,812</u>	<u>47,837</u>	<u>24,391</u>	<u>359,780</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	(81)	56,451	56,370
Amortization	(4,524)	(23,500)	-	(360)	-	-	(28,384)
NET REVENUE (DEFICIT)	<u>\$ 4,524</u>	<u>\$ 23,500</u>	<u>\$ -</u>	<u>\$ 360</u>	<u>\$ (81)</u>	<u>\$ 56,451</u>	<u>\$ 27,986</u>

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

SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

1. ACCOUNTING POLICIES

The financial statements of the Summer Village of Sunbreaker Cove (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.

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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SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

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	15 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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SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Other governments	\$ 926,657	\$ 3,271
Wastewater collection system fees	723,724	-
Goods and Services Tax rebate	194,232	5,481
Taxes and grants in place of taxes	14,847	21,681
	<u>\$ 1,859,460</u>	<u>\$ 30,433</u>

Wastewater collection system fees receivable are repayable in annual installments of \$28,949 over twenty five years.

3. DUE TO (FROM) OTHER SYLVAN SUMMER VILLAGES

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

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

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

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

SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

4. DEFERRED REVENUE

	2020	Funds Received	Funds Expended	2021
Municipal Sustainability Initiative	\$ 796,239	\$ 502,716	\$ (1,127,392)	\$ 171,563
Municipal Operating Support	7,811	-	(7,811)	-
Other	539	-	(539)	-
	<u>\$ 804,589</u>	<u>\$ 502,716</u>	<u>\$ (1,135,742)</u>	<u>\$ 171,563</u>

Current years municipal sustainability initiative funding was spent on the wastewater collection system design (\$9,641), wastewater collection system construction (\$1,069,081) and drainage improvements (\$48,671).

5. LONG TERM DEBT

	2021	2020
Government of Alberta debenture repayable in semi-annual instalments of \$7,565 including interest at a rate of 3.39% maturing in 2046.	\$ 253,700	\$ -
Government of Alberta debenture repayable in semi-annual instalments of \$6,910 including interest at a rate of 2.702% maturing in 2046.	<u>246,468</u>	-
	<u>\$ 500,168</u>	\$ -

Principal repayment terms are approximately:

	Principal	Interest	Total
2022	\$ 13,793	\$ 15,156	\$ 28,949
2023	14,214	14,735	28,949
2024	14,648	14,301	28,949
2025	15,096	13,853	28,949
2026	15,557	13,392	28,949
Thereafter	426,860	145,213	572,073
	<u>\$ 500,168</u>	<u>\$ 216,650</u>	<u>\$ 716,818</u>

SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

6. TANGIBLE CAPITAL ASSETS

	2021 Net Book Value	2020 Net Book Value
Engineered structures		
Wastewater systems	\$ 3,293,759	\$ 204,636
Roadways	63,359	-
	3,357,118	204,636
Buildings	272,439	65,347
Land improvements	195,281	198,638
Land	179,100	172,100
Machinery and equipment	12,481	10,149
	\$ 4,016,419	\$ 650,870

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 447,366	\$ 65,999	-	-	\$ 513,365
Wastewater systems	206,796	3,089,483	-	-	3,296,279
	654,162	3,155,482	-	-	3,809,644
Buildings	95,812	219,713	-	-	315,525
Machinery and equipment	21,678	5,000	-	-	26,678
Land	172,100	7,000	-	-	179,100
Land improvements	330,354	20,000	-	-	350,354
	\$ 1,274,106	\$ 3,407,195	-	\$ -	\$ 4,681,301

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 447,366	\$ 2,640	-	-	\$ 450,006
Wastewater systems	2,160	360	-	-	2,520
	449,526	3,000	-	-	452,526
Buildings	30,465	12,621	-	-	43,086
Machinery and equipment	11,529	2,668	-	-	14,197
Land improvements	131,716	23,357	-	-	155,073
	\$ 623,236	\$ 41,646	-	\$ -	\$ 664,882

Amortization has not been provided on the new wastewater system costs in the amount of \$3,269,279 as it was not operational as at December 31, 2021.

SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

7. ACCUMULATED SURPLUS

	<u>2021</u>	<u>2020</u>
Unrestricted surplus	\$ 58,723	\$ 138,105
Restricted surplus		
Operating reserves (Note 8)	785,046	87,768
Capital reserves (Note 8)	731,927	1,374,869
Equity in tangible capital assets (Schedule 1)	3,218,727	580,058
	<u>\$ 4,794,423</u>	<u>\$ 2,180,800</u>

8. RESERVES

	<u>2021</u>	<u>2020</u>
Operating Reserves		
Long Term Debt Payments	\$ 697,278	\$ -
General contingencies	62,768	62,768
Tax rate stabilization	25,000	25,000
	<u>\$ 785,046</u>	<u>\$ 87,768</u>
Capital Reserves		
Roads, streets, walks, lighting	\$ 422,925	\$ 406,709
Sewer	116,044	962,444
Reserves Environmental	100,000	-
Land improvements	91,242	-
Fleet	1,716	716
Information technology & facilities	-	5,000
	<u>\$ 731,927</u>	<u>\$ 1,374,869</u>

9. 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.

10. CREDIT FACILITY

The Summer Village has a revolving line credit facility to a maximum of \$1,000,000 bearing interest at prime plus 1% per annum. The credit facility was not drawn upon as of December 31, 2021.

SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

11. CONTRACTUAL OBLIGATIONS

The Summer Village has entered into an agreement for basic assessment services with Wild Rose Assessment Services Inc. for a five year term commencing April 2020 through March 2025. The cost of assessment services will be \$7,000 annually over the five years.

12. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Summer Village be disclosed as follows:

	2021	2020
Total debt limit	\$ 1,300,000	\$ 624,225
Total debt	(500,168)	-
Total debt limit remaining	\$ 799,832	\$ 624,225
Service on debt limit	\$ 148,468	\$ 104,038
Service on debt	(28,949)	-
Total service on debt limit remaining	\$ 119,519	\$ 104,038

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.

Pursuant to a Ministerial Order, the Summer Village received approval to exceed its regulated debt limit and borrow up to \$1.3 million to finance the sanitary collection system project.

13. BUDGET FIGURES

The 2021 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on December 21, 2020. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2021 Budget	2021 Actual
Annual surplus	\$ 2,442,839	\$ 2,613,623
Purchase of tangible capital assets	(3,192,023)	(3,407,195)
Amortization of tangible capital assets	-	(41,646)
Transfer (to) from reserves	749,184	(54,336)
	\$ -	\$ (889,554)

SUMMER VILLAGE OF SUNBREAKER COVE

Notes to Financial Statements

Year Ended December 31, 2021

14. 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.

15. SALARIES AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits (2)	2021	2020
Mayor Beets	\$ 10,425	\$ 256	\$ 10,681	\$ 8,810
Councillors				
Willmon	3,450	-	3,450	3,375
Kimball	3,213	97	3,310	2,025
	\$ 17,088	\$ 353	\$ 17,441	\$ 14,210
Chief Administrative Officer				
Evans	\$ 16,877	\$ 1,349	\$ 18,226	\$ 18,334
Designated officer				
Assessor	\$ 7,200	\$ -	\$ 7,200	\$ 7,400

(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.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
