

INDEPENDENT AUDITORS' REPORT

To the Members and Ministers of the Summer Village of South Baptiste

Opinion

We have audited the accompanying financial statements of the Summer Village of South Baptiste for the year ended December 31, 2021, which comprise the statement of financial position, the statement of operations, the statement of cash flows, and the statement of changes in net assets or equity, and the related notes to the financial statements.

SUMMER VILLAGE OF SOUTH BAPTISTE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

In our opinion, the financial statements present fairly, in all material aspects, the financial position, the results of operations, the cash flows, and the changes in net assets or equity of the Summer Village of South Baptiste for the year ended December 31, 2021, in accordance with the accounting principles generally accepted in Canada.

Report on Internal Control

We performed our audit in accordance with Canadian generally accepted auditing standards. Our standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. A material misstatement is one that could influence the economic decisions of users taken on the basis of the financial statements. We have not audited the internal control system of the Summer Village of South Baptiste and we have not issued an opinion on the internal control system. We have, however, identified certain internal control weaknesses that we believe are likely to result in a material misstatement of the financial statements.

In accordance with our audit of the financial statements, we have not identified any internal control weaknesses that we believe are likely to result in a material misstatement of the financial statements. We have, however, identified certain internal control weaknesses that we believe are likely to result in a material misstatement of the financial statements. We have, however, identified certain internal control weaknesses that we believe are likely to result in a material misstatement of the financial statements.

Management's Responsibility for the Financial Statements - The Management of the Summer Village of South Baptiste

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in Canada, and for such other matters as may be required by the accounting principles generally accepted in Canada to enable the preparation of financial statements that are free from material misstatement, whether caused by 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 related 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 to cease trading, or to undertake some other transaction that would result in the Summer Village ceasing to be a going concern.

These statements were prepared in accordance with the accounting principles generally accepted in Canada.

For the Summer Village of South Baptiste:

Mayor of the Summer Village of South Baptiste



METRIX GROUP LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the Summer Village of South Baptiste

Opinion

We have audited the accompanying financial statements of the Summer Village of South Baptiste (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 a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Summer Village as at December 31, 2021, and the results of its operations and, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 related 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.

(continues)

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12840 ST. ALBERT TRAIL EDMONTON, AB T5L 4H6 | T: 780.489.9606 F: 780.484.9689 | METRIXGROUP.CA



Independent Auditors' Report to the Mayor and Members of Council of the Summer Village of South Baptiste (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 it 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 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
April 27, 2022

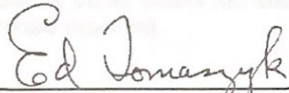
**MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

Administration is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgemental is required.

In discharging its responsibility for the integrity and fairness of the financial statements, Administration designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The elected Mayor and Council of the Summer Village of South Baptiste are composed entirely of individuals who are neither administration nor employees of the Summer Village. The Mayor and Council have the responsibility of meeting with Administration and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the Summer Village's external auditors.

METRIX Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Mayor and Council and Administration to discuss their audit findings.



Ed Tomaszuk, Chief Administrative Officer

West Baptiste, Alberta
April 27, 2022

SUMMER VILLAGE OF SOUTH BAPTISTE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u> (Restated) (Note 14)
FINANCIAL ASSETS		
Cash	\$ 294,754	\$ 185,360
Receivables		
Taxes receivable (Note 2)	17,251	9,054
Government transfers receivable (Note 3)	-	89,259
Goods and services tax receivable	3,766	21,296
Trade and other receivables	488	488
Investments (Note 4)	<u>336,449</u>	<u>335,610</u>
	<u>652,708</u>	<u>641,067</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	13,977	18,164
Prepaid taxes and deposits	1,948	-
Deferred revenue (Note 6)	<u>166,847</u>	<u>166,847</u>
	<u>182,772</u>	<u>185,011</u>
NET FINANCIAL ASSETS	<u>469,936</u>	<u>456,056</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 6)	1,145,608	1,162,965
Prepaid expenses	<u>165</u>	<u>-</u>
	<u>1,145,773</u>	<u>1,162,965</u>
ACCUMULATED SURPLUS (Note 9)	<u>\$ 1,615,709</u>	<u>\$ 1,619,021</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Budget) (Note 12)	2021 (Actual)	2020 (Actual) (Restated) (Note 14)
REVENUES			
Net municipal property taxes (Schedule 3)	\$ 82,366	\$ 79,750	\$ 76,978
Government transfers for operating (Schedule 4)	17,102	5,846	18,160
Interest income	-	839	4,361
Licenses, permits & other	8,084	3,855	7,929
	<u>107,552</u>	<u>90,290</u>	<u>107,428</u>
EXPENSES			
Council and other legislative	5,699	3,889	3,600
Administration	57,023	46,528	47,941
Bylaws enforcement	6,311	1,271	1,593
Roads, streets, walks, and lighting	48,417	30,024	35,254
Waste management and recycle	11,892	11,890	11,890
	<u>129,342</u>	<u>93,602</u>	<u>100,278</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME	<u>(21,790)</u>	<u>(3,312)</u>	<u>7,150</u>
OTHER INCOME			
Government transfers for capital (Schedule 4)	-	-	25,382
	-	-	<u>25,382</u>
EXCESS OF REVENUE OVER EXPENSES	<u>(21,790)</u>	<u>(3,312)</u>	<u>32,532</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	<u>1,625,875</u>	<u>1,625,875</u>	<u>1,586,489</u>
Prior period adjustment (Note 14)	(6,854)	(6,854)	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	<u>1,619,021</u>	<u>1,619,021</u>	<u>1,586,489</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,597,231</u>	<u>\$ 1,615,709</u>	<u>\$ 1,619,021</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Budget) (Note 12)	2021 (Actual)	2020 (Actual) (Restated) (Note 14)
OPERATING ACTIVITIES			
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (21,790)	\$ (3,312)	\$ 32,532
Acquisition of tangible capital assets	-	-	(25,382)
Amortization of tangible capital assets	-	17,357	17,357
	-	17,357	(8,025)
Net change in prepaid expenses	-	(165)	-
INCREASE IN NET FINANCIAL ASSETS	(21,790)	13,880	24,507
NET FINANCIAL ASSET, BEGINNING OF YEAR	456,056	456,056	431,549
NET FINANCIAL ASSETS, END OF YEAR	\$ 434,266	\$ 469,936	\$ 456,056
CASH USED FOR INVESTING ACTIVITIES			
INCREASE (DECREASE) IN CASH			
CASH, BEGINNING OF YEAR			
CASH, END OF YEAR			

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

**SUMMER VILLAGE OF SOUTH BAPTISTE
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u> (Restated) (Note 14)
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (3,312)	\$ 32,532
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	17,357	17,357
Change in non-cash working capital balances:		
Taxes receivable	(8,197)	3,159
Government transfers receivables	89,259	(19,740)
Goods and services tax receivable	17,530	(3,986)
Trade and other receivable	-	3,313
Accounts payable and accrued liabilities	(4,187)	6,626
Prepaid taxes	1,948	(1,939)
Deferred revenue	-	81,969
Prepaid expenses	(165)	-
CASH FROM OPERATING ACTIVITIES	<u>110,233</u>	<u>119,291</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	-	(25,382)
Purchase of investments	(839)	(5,610)
CASH USED FOR INVESTING ACTIVITIES	<u>(839)</u>	<u>(30,992)</u>
INCREASE (DECREASE) IN CASH	109,394	88,299
CASH, BEGINNING OF YEAR	<u>185,360</u>	<u>97,061</u>
CASH, END OF YEAR	<u>\$ 294,754</u>	<u>\$ 185,360</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021 Total	2020 Total (Restated) (Note 14)
Balance, Beginning of Year as Previously stated	\$ 376,410	\$ 86,500	\$ 1,162,965	\$ 1,625,875	\$ 1,586,489
Prior Period Adjustment (Note 14)	<u>(6,854)</u>	<u>-</u>	<u>-</u>	<u>(6,854)</u>	<u>-</u>
Balance, Beginning of Year, as Restated	\$ 369,556	\$ 86,500	\$ 1,162,965	\$ 1,619,021	\$ 1,586,489
Excess of Revenue over Expenses	<u>(3,312)</u>	<u>-</u>	<u>-</u>	<u>(3,312)</u>	<u>32,532</u>
Annual amortization expense	<u>17,357</u>	<u>-</u>	<u>(17,357)</u>	<u>-</u>	<u>-</u>
Balance, End of Year	<u>\$ 383,601</u>	<u>\$ 86,500</u>	<u>\$ 1,145,608</u>	<u>\$ 1,615,709</u>	<u>\$ 1,619,021</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 2

	<u>2021</u>	<u>2020</u>
BALANCE, BEGINNING OF YEAR	\$ 1,162,965	\$ 1,154,940
Purchase of tangible capital assets	-	25,382
Amortization of Tangible Capital Assets	<u>(17,357)</u>	<u>(17,357)</u>
BALANCE, END OF YEAR	<u>\$ 1,145,608</u>	<u>\$ 1,162,965</u>
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets (net book value)	<u>\$ 1,145,608</u>	<u>\$ 1,162,965</u>
	<u>\$ 1,145,608</u>	<u>\$ 1,162,965</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 3

	<u>2021</u> (Budget) (Note 12)	<u>2021</u> (Actual)	<u>2020</u>
TAXATION			
Real property taxes	\$ 131,937	\$ 134,153	\$ 126,212
Linear property taxes	<u>-</u>	<u>-</u>	<u>9</u>
	<u>131,937</u>	<u>134,153</u>	<u>126,221</u>
REQUISITIONS			
Alberta School Foundation Fund	47,264	52,096	47,264
Greater North Foundation	<u>2,307</u>	<u>2,307</u>	<u>1,979</u>
	<u>49,571</u>	<u>54,403</u>	<u>49,243</u>
NET MUNICIPAL TAXES	<u>\$ 82,366</u>	<u>\$ 79,750</u>	<u>\$ 76,978</u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE 4

	<u>2021</u> (Budget) (Note 12)	<u>2021</u> (Actual)	<u>2020</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ <u>17,102</u>	\$ <u>5,846</u>	\$ <u>18,160</u>
	<u>17,102</u>	<u>5,846</u>	<u>18,160</u>
TRANSFERS FOR CAPITAL			
Federal government	<u>-</u>	<u>-</u>	<u>25,382</u>
	<u>-</u>	<u>-</u>	<u>25,382</u>
TOTAL GOVERNMENT TRANSFERS	\$ <u><u>17,102</u></u>	\$ <u><u>5,846</u></u>	\$ <u><u>43,542</u></u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 5

	Legislative	Administration	Fire & Bylaw	Transportation	Waste Management	2021	2020 (Restated) (Note 14)
REVENUE							
Taxation	\$ 79,750	\$ -	\$ -	\$ -	\$ -	\$ 79,750	\$ 76,977
Government transfers	-	5,846	-	-	-	5,846	18,160
Interest on investments	-	839	-	-	-	839	4,361
Licenses, permits & other	-	3,855	-	-	-	3,855	7,929
	<u>79,750</u>	<u>10,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,290</u>	<u>107,427</u>
EXPENSES							
Contracted and general services	289	44,908	1,271	11,680	11,890	70,038	76,714
Salaries, wages, and benefits	3,600	-	-	-	-	3,600	3,600
Materials goods and utilities	-	-	-	987	-	987	1,056
Bank and interest charges	-	42	-	-	-	42	101
Insurance	-	1,578	-	-	-	1,578	1,449
Amortization	-	-	-	17,357	-	17,357	17,357
	<u>3,889</u>	<u>46,528</u>	<u>1,271</u>	<u>30,024</u>	<u>11,890</u>	<u>93,602</u>	<u>100,277</u>
Revenue (deficit) before amortization & government transfers for capital	<u>75,861</u>	<u>(35,988)</u>	<u>(1,271)</u>	<u>(30,024)</u>	<u>(11,890)</u>	<u>(3,312)</u>	<u>7,150</u>
Government transfers - capital	-	-	-	-	-	-	25,382
NET REVENUE (DEFICIT)	<u>\$ 75,861</u>	<u>\$ (35,988)</u>	<u>\$ (1,271)</u>	<u>\$ (30,024)</u>	<u>\$ (11,890)</u>	<u>\$ (3,312)</u>	<u>\$ 32,532</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 6

	<u>Land</u>	<u>Engineered Structures</u>	<u>Machinery & Equipment</u>	<u>2021</u>	<u>2020</u>
COST:					
Balance, Beginning of Year	\$ 861,810	\$ 305,849	\$ 20,646	\$ 1,188,305	\$ 1,162,923
Additions	-	-	-	-	25,382
Balance, End of Year	<u>861,810</u>	<u>305,849</u>	<u>20,646</u>	<u>1,188,305</u>	<u>1,188,305</u>
ACCUMULATED AMORTIZATION:					
Balance, Beginning of Year	-	23,048	2,292	25,340	7,983
Amortization expense	-	15,292	2,065	17,357	17,357
Disposals	-	-	-	-	-
Balance, End of Year	<u>-</u>	<u>38,340</u>	<u>4,357</u>	<u>42,697</u>	<u>25,340</u>
NET BOOK VALUE	<u>\$ 861,810</u>	<u>\$ 267,509</u>	<u>\$ 16,289</u>	<u>\$ 1,145,608</u>	<u>\$ 1,162,965</u>

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

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of South Baptiste (the "Summer Village") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountant of Canada. 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, changes in net financial position and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Summer Village and are, therefore, accountable to Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the Summer Village's reporting entity.

(b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues are reliably measured and reasonably estimated. 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, contributions and other amounts are received from third parties pursuant to legislation, regular or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user fees are collected for which the related services have yet to be performed. Revenues are recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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

(c) 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 change in net financial assets for the year.

(CONT'D)

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 expenditure during the period. Where management uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(e) Cash and Temporary Investments

Cash and cash equivalents consists of cash on hand, cash in banks and deposits with an original maturity date of purchase of three months or less. Due to the short term maturity of these investments, their carrying value approximates fair value.

(f) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

(g) Local Improvements

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the *Municipal Government Act*, to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owner's share of the improvements is recognized as revenue, and established as a receivable, in the period that the project expenditures are completed.

(h) Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

(i) Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

(CONT'D)

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Tax Revenue

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

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the Summer Village. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

(k) Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(l) Equity in tangible capital assets

Equity in tangible capital assets represents the Summer Village's net investment in tangible capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowing, capital leases or other capital liabilities.

(m) Requisition 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.

(CONT'D)

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) *Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Engineered structures	20
Machinery and equipment	20

Amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Leases

Leases are classified as capital or operating. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Inventory

Inventory held for consumption is valued at the lower of cost or replacement cost, with cost determined by the average cost method.

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. TAXES RECEIVABLES

	<u>2021</u>	<u>2020</u>
Current taxes	\$ 4,738	\$ 7,081
Tax arrears	<u>12,513</u>	<u>1,973</u>
	<u>\$ 17,251</u>	<u>\$ 9,054</u>

3. GOVERNMENT TRANSFERS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Municipal Sustainability Initiative	-	77,576
Municipal Stimulus Program	<u>-</u>	<u>11,683</u>
	<u>\$ -</u>	<u>\$ 89,259</u>

4. INVESTMENTS

	<u>2021</u>		<u>2020</u>	
	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
Short-term notes and deposits	<u>\$ 336,449</u>	<u>\$ 336,449</u>	<u>\$ 335,610</u>	<u>\$ 335,610</u>

Short-term deposits have effective interest rates of 0.40% (2020 - 0.25%) and mature in less than one year.

Included in investments are restricted amounts of \$166,847 (2020 - \$77,588) received from the Municipal Sustainability Initiative and are held exclusively for capital approved projects (Note 6).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u> (Restated) (Note 14)
Trade payables	\$ 12,578	\$ 14,545
Over-levy of taxes	<u>1,399</u>	<u>3,619</u>
	<u>\$ 13,977</u>	<u>\$ 18,164</u>

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

6. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2020</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2021</u>
Municipal Sustainability Grant - Capital	\$ 129,805	\$ -	\$ -	\$ 129,805
Canada Community-Building Fund	16,042	-	-	16,042
Municipal Stimulus Program	6,000	-	-	6,000
Alberta Community Partnership	15,000	-	-	15,000
	<u>\$ 166,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,847</u>

7. 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:

	<u>2021</u>	<u>2020</u>
Total debt limit	\$ 135,435	\$ 161,142
Total debt	-	-
Amount of debt limit unused	<u>\$ 135,435</u>	<u>\$ 161,142</u>
Service on debt limit	\$ 22,573	\$ 26,857
Service on debt	-	-
Amount of service on debt limit unused	<u>\$ 22,573</u>	<u>\$ 26,857</u>

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 at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Summer Village. Rather, the financial statements must be interpreted as a whole.

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

8. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials and the chief administrative officer as required by *Alberta Regulation 313/2000* is as follows:

	<u>Salary</u>	<u>Total 2021</u>	<u>Total 2020</u>
Councillors:			
Blaine Page	\$ 1,200	\$ 1,200	\$ 1,200
Wendy Appleby	1,200	1,200	1,200
Karen Sliwkanich	400	400	-
Reg Stapley	800	800	1,200
	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ 3,600</u>
Chief Administrative Officer	\$ 31,500	\$ 31,500	\$ 31,500
Assessor	2,907	2,907	2,984
	<u>\$ 34,407</u>	<u>\$ 34,407</u>	<u>\$ 34,484</u>

Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration.

9. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<u>2021</u>	<u>2020</u> (Restated) (Note 14)
Unrestricted surplus	\$ 383,601	\$ 369,556
Restricted surplus	86,500	86,500
Equity in tangible capital assets	<u>1,145,608</u>	<u>1,162,965</u>
	<u>\$ 1,615,709</u>	<u>\$ 1,619,021</u>

SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

10. FINANCIAL INSTRUMENTS

(a) Credit risk

The Summer Village is subject to credit risk with respect to taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Summer Village provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

(b) Fair value

The Summer Village's carrying value of cash, taxes receivable, trade and other receivables, investments, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

(c) Currency risk

Currency risk is the risk to the Summer Village's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Summer Village is not exposed to significant interest or currency risk arising from these financial instruments.

11. SEGMENTED INFORMATION

The Summer Village provides a range of services to its ratepayers. 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. Refer to the Schedule of Segmented Disclosure (Schedule 5).

12. BUDGET DATA

The budget data presented in these financial statements is based on the 2021 operating and capital budgets approved by Council on April 28, 2021. The budgeted figures have been presented for information purposes and are unaudited.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

14. PRIOR PERIOD ADJUSTMENT

During the fiscal year, it was discovered that expenditures were not completely accrued for in the period year. As a result, prior year comparative figures have been adjusted for these matters.

The 2020 financial statements were adjusted as follows:

- Increase in Councillor remuneration by \$3,000;
- Increase in Contracted Services by \$3,854;
- Increase in accrued liabilities by \$6,854.

Certain comparative figures have been restated to conform to the current year's presentation.

1. In the prior year, there were amounts related to MOST that were recognized (\$11K), which increased the prior year balance. This year there was only MSI Operating recognized.
2. There was no election in FY2020 so no expense related to it
3. In the prior year there were additional expenses related to an election challenge from a resident. There were no similar expenses in the current year.
4. In FY2021, there were some additional expenses related to the website that were not incurred in FY2020
5. Based on the requisition received in the year from the Fire Department and based on the fire department expenses.
6. More work completed on roads in FY2020 - including more work by Athabasca County and David Gray Enterprises.
7. these expenses will fluctuate based on the expenses of the seniors foundations and ASFF.

Metrix Group LLP
Chartered Professional Accountants

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Summer Village of South Baptiste

Year End: December 31, 2022

Adjusting journal entries

Date: 2022-01-01 To 2022-12-31

Number	Date	Name	Account No	Reference	Debit	Credit
AJE01	2022-12-31	CIBC	1050	150-TB	104,729.82	
AJE01	2022-12-31	Real Property Taxes	4010	150-TB		-134,097.79
AJE01	2022-12-31	Provincial Conditional Grants	4120	150-TB		-117,440.82
AJE01	2022-12-31	Village Fees and Charges	4320	150-TB		-4,936.75
AJE01	2022-12-31	Council Honorariums	5010	150-TB	2,400.00	
AJE01	2022-12-31	Councillor Expenses	5020	150-TB	5,860.61	
AJE01	2022-12-31	Audit Professional Services	5120	150-TB	6,300.00	
AJE01	2022-12-31	Assessment Professional Services	5130	150-TB	3,130.05	
AJE01	2022-12-31	Banking Charges	5135	150-TB	67.00	
AJE01	2022-12-31	Insurance and Bonding	5180	150-TB	1,697.94	
AJE01	2022-12-31	Legal Professional Services	5190	150-TB	1,289.93	
AJE01	2022-12-31	Memberships	5200	150-TB	1,573.50	
AJE01	2022-12-31	Municipal Administrative Services	5210	150-TB	31,500.00	
AJE01	2022-12-31	Street Lights	5255	150-TB	1,253.70	
AJE01	2022-12-31	Other Operating Expense	5490	150-TB	500.00	
AJE01	2022-12-31	Road and Utility Contracts	5610	150-TB	26,127.65	
AJE01	2022-12-31	Fire Services	5810	150-TB	1,270.90	
AJE01	2022-12-31	Athabasca Regional Waste	5830	150-TB	13,178.40	
AJE01	2022-12-31	Greater North Foundation	5850	150-TB	2,292.23	
AJE01	2022-12-31	Alta. School Foundation Fund	5880	150-TB	53,303.63	

To record 2022 transactions

256,475.36 -256,475.36

Net Income (Loss) 104,729.82

Metrix Group LLP

Chartered Professional Accountants

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