

---

**SUMMER VILLAGE OF SUNSET POINT  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

---

DRAFT

**SUMMER VILLAGE OF SUNSET POINT**

**DECEMBER 31, 2019**

**CONTENTS**

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Schedule 1 - Schedule of Changes in Accumulated Surplus	8
Schedule 2 - Schedule of Tangible Capital Assets	9
Schedule 3 - Schedule of Property and Other Taxes	10
Schedule 4 - Schedule of Government Transfers	11
Schedule 5 - Schedule of Expenses by Object	11
Notes to Financial Statements	12-17

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of Sunset Point is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Summer Village's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Summer Village Council carries out its responsibilities for review of the financial statements through its regular meetings with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Council with and without the presence of management. The Summer Village Council has approved the financial statements.

The financial statements have been audited by Al Scherbarth Professional Corporation, Chartered Professional Accountant, independent external auditors appointed by the Summer Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Summer Village's financial statements.

---

Chief Administrative Officer  
Date:  
Summer Village of Sunset Point

---

Mayor  
Date:  
Summer Village of Sunset Point

## INDEPENDENT AUDITOR'S REPORT

### TO THE COUNCIL OF SUMMER VILLAGE OF SUNSET POINT

Report on the Audit of the Financial Statements

#### *Opinion*

I have audited the financial statements of Summer Village of Sunset Point, which comprise the statement of financial position as at December 31, 2019, and the results of its operations, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Summer Village of Sunset Point as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Summer Village in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *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.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 auditor's 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 omission,

misrepresentation, or 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.

I will 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

*Report on Other Legal and Regulatory Requirements*

- Debt Limit Regulation
- In accordance with Alberta Regulation 255/2000, I confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account the Summer Village's debt limit can be found in Note 6.

EDMONTON, ALBERTA  
APRIL 20, 2020

---

AL SCHERBARTH PROFESSIONAL CORPORATION

**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED FINANCIAL POSITION  
DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 836,621	\$ 447,539
Receivables		
Taxes receivable (Note 3)	39,943	47,728
Trade and other receivables	1,323	121
Goods and services tax receivable	8,512	9,396
Government transfers receivable (Note 4)	60,372	306,441
	946,771	811,225
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	29,342	38,046
Over-levy on requisitions	1,440	3,935
Deferred revenue (Note 5)	580,244	479,140
Deferred revenue - Alberta Transportation BMTG	10,756	10,549
	621,782	531,670
<b>NET FINANCIAL ASSETS</b>	324,989	279,555
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets	838,982	865,489
Prepaid expense	199	2,835
	839,181	868,324
<b>ACCUMULATED SURPLUS (Schedule 1)</b>	\$ 1,164,170	\$ 1,147,879

**RESTATED  
NOTE 12**

APPROVED BY COUNCIL

\_\_\_\_\_ MAYOR

\_\_\_\_\_ COUNCILOR

**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2019**

	<b>BUDGET</b>	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	\$ 327,002	\$ 340,901	\$ 336,739
Waste water treatment and disposal	99,800	99,800	95,800
Government transfers for operating (Schedule 4)	17,869	23,135	17,872
Penalties and costs of taxes	6,500	19,843	7,275
Franchise fees	16,000	17,889	17,910
Rental	8,000	10,833	8,400
Other Revenues	6,100	9,629	9,213
<b>TOTAL REVENUE</b>	<b>481,271</b>	<b>522,030</b>	<b>493,209</b>
<b>EXPENSES</b>			
Water waste treatment and disposal	190,702	186,004	186,100
Roads, streets, walks and lighting	148,949	85,112	87,543
Administration	96,775	82,014	80,244
Parks and recreation	45,805	45,794	53,326
Waste management	38,500	38,876	35,162
Amortization	-	26,507	26,202
Legislative	30,250	26,017	25,378
Storm water management	6,500	14,700	-
Water	10,493	8,755	7,007
Emergency response	4,600	4,750	-
Fire and bylaws enforcement	2,000	1,910	1,727
Land use zoning, planning and development	-	-	2,100
<b>TOTAL EXPENSES</b>	<b>574,574</b>	<b>520,439</b>	<b>504,789</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES, BEFORE OTHER</b>	<b>(93,303)</b>	<b>1,591</b>	<b>(11,580)</b>
<b>OTHER</b>			
Ice Quake	-	-	(36,968)
Government transfers for capital (Schedule 4)	283,000	14,700	-
<b>TOTAL OTHER</b>	<b>283,000</b>	<b>14,700</b>	<b>(36,968)</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>189,697</b>	<b>16,291</b>	<b>(48,548)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>1,147,879</b>	<b>1,147,879</b>	<b>1,196,427</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,337,576</b>	<b>\$ 1,164,170</b>	<b>\$ 1,147,879</b>

**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED STATEMENT OF CHANGE IN NET  
FINANCIAL ASSETS  
YEAR ENDED DECEMBER 31, 2019**

---

	<b>BUDGET</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
EXCESS OF REVENUE OVER EXPENSES	\$ 189,697	\$ 16,291	\$ (48,548)
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	-	(12,200)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	<u>-</u>	<u>26,507</u>	<u>26,202</u>
	<u>-</u>	<u>26,507</u>	<u>14,002</u>
USE OF PREPAID ASSETS	<u>-</u>	<u>2,636</u>	<u>1,448</u>
INCREASE IN NET FINANCIAL ASSETS	189,697	45,434	(33,098)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>279,555</u>	<u>279,555</u>	<u>312,653</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 469,252</u>	<u>\$ 324,989</u>	<u>\$ 279,555</u>

DRAFT



**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>OPERATING</b>		
Excess of revenues over expenditures	\$ 16,291	\$ (48,548)
Amortization	26,507	26,202
Non-cash changes to operations (net change):		
Decrease (increase) in taxes receivable	7,785	(21,820)
Decrease (increase) in trade and other receivables	(1,202)	(121)
Decrease (increase) in government transfers receivable	246,069	(141,667)
Decrease (increase) in Goods and services tax receivable	884	15,102
Decrease (increase) in under-levy	-	1,714
Increase (decrease) in accounts payable and accrued liabilities	(8,704)	29,234
Increase (decrease) in over-levy	(2,495)	3,935
Increase (decrease) in deferred revenue	101,311	142,096
Decrease (increase) in prepaid expenses	2,636	1,448
Cash provided by operating transactions	389,082	7,575
<b>CAPITAL</b>		
Purchases of tangible capital assets	-	(12,200)
<b>INVESTING</b>		
<b>(DECREASE) IN CASH DURING YEAR</b>	389,082	(4,625)
<b>CASH, BEGINNING OF YEAR</b>	447,539	452,164
<b>CASH, END OF YEAR (Note 2)</b>	\$ 836,621	\$ 447,539

**SUMMER VILLAGE OF SUNSET POINT  
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
YEAR ENDED DECEMBER 31, 2019**

**SCHEDULE 1**

	<b>UNRESTRICTED SURPLUS</b>	<b>RESTRICTED SURPLUS</b>	<b>EQUITY IN TANGIBLE CAPITAL ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 153,608	128,782	\$ 865,489	\$ 1,147,879	\$ 1,196,427
Excess (deficiency) of revenues over expenses	16,291	-	-	16,291	(48,548)
Restricted funds used for operations	740	(740)	-	-	-
Annual amortization expense	26,507	-	(26,507)	-	-
Change in accumulated surplus	43,538	(740)	(26,507)	16,291	(48,548)
<b>BALANCE, END OF YEAR</b>	197,146	128,042	838,982	1,164,170	1,147,879

**SUMMER VILLAGE OF SUNSET POINT  
SCHEDULE OF TANGIBLE CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 2

	<u>LAND</u>	<u>BUILDING</u>	<u>ENGINEERED STRUCTURES</u>	<u>MACHINERY &amp; EQUIPMENT</u>	<u>2019</u>	<u>2018</u>
<b>COST:</b>						
Balance, beginning of year	\$ 517,004	\$ 33,663	\$ 1,409,125	\$ 20,327	\$ 1,980,119	\$ 1,967,919
Acquisition of tangible capital assets	-	-	-	-	-	12,200
Disposal of capital assets	-	-	-	(8,127)	(8,127)	-
Balance, end of year	517,004	33,663	1,409,125	12,200	1,971,992	1,980,119
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, beginning of year		31,642	1,074,556	8,432	1,114,630	1,088,428
Disposals	-	-	-	(8,127)	(8,127)	-
Annual amortization	-	673	25,224	610	26,507	26,202
Balance, end of year	-	32,315	1,099,780	915	1,133,010	1,114,630
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 517,004</b>	<b>\$ 1,348</b>	<b>\$ 309,345</b>	<b>\$ 11,285</b>	<b>\$ 838,982</b>	<b>\$ 865,489</b>

**SUMMER VILLAGE OF SUNSET POINT  
 SCHEDULE OF PROPERTY AND OTHER TAXES  
 YEAR ENDED DECEMBER 31, 2019**

	<b>SCHEDULE 3</b>		
	<b>BUDGET</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>TAXATION</b>			
Real property taxes	\$ 505,074	\$ 514,795	\$ 512,804
Linear property taxes	5	2,560	2,291
	<u>505,079</u>	<u>517,355</u>	<u>515,095</u>
<b>REQUISITION</b>			
Alberta School Foundation Fund	164,502	162,879	164,502
Lac Ste Anne	13,575	13,575	13,854
	<u>178,077</u>	<u>176,454</u>	<u>178,356</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 327,002</u>	<u>\$ 340,901</u>	<u>\$ 336,739</u>

DRAFT

**SUMMER VILLAGE OF SUNSET POINT  
SCHEDULE OF GOVERNMENT TRANSFERS  
YEAR ENDED DECEMBER 31, 2019**

	<b>SCHEDULE 4</b>		
	<b>BUDGET</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 17,869	\$ 23,135	\$ 17,872
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	283,000	14,700	-
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 300,869</b>	<b>\$ 37,835</b>	<b>\$ 17,872</b>

**CONSOLIDATED SCHEDULE OF EXPENDITURES BY OBJECT  
YEAR ENDED DECEMBER 31, 2019**

	<b>SCHEDULE 5</b>		
	<b>BUDGET</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>EXPENSES</b>			
Contracted and general services	\$ 331,122	\$ 267,366	\$ 248,158
Transfers to other governments	199,702	194,777	196,173
Amortization of tangible capital assets	-	26,507	26,202
Salaries wages and benefits	31,450	26,273	23,345
Materials goods and utilities	12,300	5,516	10,910
Other expenditures - Ice Quake	-	-	36,968
<b>TOTAL EXPENDITURE</b>	<b>\$ 574,574</b>	<b>\$ 520,439</b>	<b>\$ 541,756</b>

# SUMMER VILLAGE OF SUNSET POINT

## NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2019

---

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Summer Village of Sunset Point are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

(a) **Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations of all of the organizations that are owned or controlled by the Summer Village 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 municipality 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 the receipt of goods and services and/or the legal obligation to pay.

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, regulation 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 charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) **Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) **Investments**

Investments are recorded at amortized cost.

(e) **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 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.

**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Tax Revenue**

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as flow through and are excluded from municipal revenue.

**(g) 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.

**(h) 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 (Debt) for the year.

**(i) 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:

Buildings	50 years
Engineered structures - roads	20 years
Machinery and equipment	20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

**2. CASH**

	<u>2019</u>	<u>2018</u>
Unrestricted cash	\$ 305,993	\$ 264,292
Restricted cash	<u>530,628</u>	<u>183,247</u>
	<u>\$ 836,621</u>	<u>\$ 447,539</u>

Cash includes cash in the bank and temporary investments with original maturities of three months or less. The cost of the temporary investment approximates the market value.

Included in Cash are restricted amounts of \$530,628 (2018 - \$183,247) received from the Municipal Sustainability Initiative, Federal Gas Tax Fund, and the Basic Municipal Transportation Grant and is held for approved projects (Note 5).

**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

---

**3. TAXES RECEIVABLE**

	<u>2019</u>	<u>2018</u>
Current taxes	\$ 20,745	\$ 27,088
Arrears	<u>19,198</u>	<u>20,640</u>
	<u>\$ 39,943</u>	<u>\$ 47,728</u>

**4. GOVERNMENT TRANSFERS RECEIVABLE**

	<u>2019</u>	<u>2018</u>
Municipal Sustainability Initiative	\$ -	\$ 241,666
Federal Gas Tax Fund	<u>60,372</u>	<u>64,775</u>
	<u>\$ 60,372</u>	<u>\$ 306,441</u>

Government transfers are recorded when authorized by legislation. The transfers payments are released by the Alberta Government when the Summer Village meets the eligibility criteria.

**5. DEFERRED REVENUE**

	<u>2019</u>	<u>2018</u>
Municipal Sustainability Grant - Capital	\$ 484,113	\$ 397,692
Federal Gas Tax Fund	96,131	81,447
Basic Municipal Transportation Grant	<u>10,756</u>	<u>10,549</u>
	<u>\$ 591,000</u>	<u>\$ 489,688</u>

Funding in the amount of \$591,000 was received or committed in the current and prior years from the Municipal Sustainability Initiative, the Federal Gas Tax Fund, and the Basic Municipal Transportation Grant (prior to 2014). This funding is restricted to eligible capital projects, as approved under the funding agreement, which are scheduled for completion in 2020.

Assets restricted for deferred revenue purposes:

	<u>2019</u>	<u>2018</u>
Cash	\$ 530,628	\$ 183,247
Government Transfers Receivable	<u>60,372</u>	<u>306,441</u>
	<u>\$ 591,000</u>	<u>\$ 489,688</u>



**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

---

**6. 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 of Sunset Point be disclosed as follows:

	<u>2019</u>	<u>2018</u>
Total debt limit	\$ 783,045	\$ 739,814
Total debt	<u>-</u>	<u>10,549</u>
Amount total debt limit unused	<u>\$ 783,045</u>	<u>729,265</u>
Debt servicing limit	\$ 130,508	123,302
Debt servicing	<u>-</u>	<u>-</u>
Amount of debt servicing limit unused	<u>\$ 130,508</u>	<u>123,302</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**7. EQUITY IN TANGIBLE CAPITAL ASSETS**

	Net <u>2019</u>	Net <u>2018</u>
Tangible capital assets (Schedule 2)	\$ 1,971,992	\$ 1,980,119
Accumulated amortization (Schedule 2)	<u>(1,133,010)</u>	<u>(1,114,630)</u>
	<u>\$ 838,982</u>	<u>\$ 865,489</u>

**8. ACCUMULATED SURPLUS**

	<u>2019</u>	<u>2018</u>
Unrestricted surplus	\$ 197,146	\$ 153,608
Restricted surplus	-	-
Infrastructure	121,782	121,782
Snow removal	<u>6,260</u>	<u>7,000</u>
Total restricted surplus	128,042	128,782
Equity in tangible capital assets	<u>838,982</u>	<u>865,489</u>
	<u>\$ 1,164,170</u>	<u>\$ 1,147,879</u>

**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

---

**9. SALARY & BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	<b>2019</b>			<b>2018</b>
	Salary	Benefits Allowances	Total	Total
Councillors:				
Ann Morrison	\$ 6,250	\$ 659	\$ 6,909	\$ 5,228
Richard Martin	3,913	331	4,244	4,583
Brian Purnell	3,539	59	3,598	4,335
Village Administrator	\$ 45,000	\$ 2,225	\$ 47,225	\$ 52,823
Assessor	\$ 9,650	\$ -	\$ -	\$ 9,365

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Benefits and allowances figures also include the Employer's share of the costs of additional taxable benefits including travel allowance

**10. FINANCIAL INSTRUMENTS**

The Summer Village's financial instruments consist of cash, taxes and grants in place of taxes, accounts receivable, accounts payable and accrued liabilities, prepaid taxes and deferred revenue. It is management's opinion that the Summer Village is not exposed to significant interest or current risks arising from these financial instruments.

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 fulfill their obligations. The number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

**11. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements. The budgeted figures have been presented for information purposes and are unaudited.

**SUMMER VILLAGE OF SUNSET POINT  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2019**

---

**12. PRIOR PERIOD ADJUSTMENTS**

The Summer Village has restated its financial statements as a result of reconciliations undertaken during the year for deferred revenue. These adjustments are as follows:

Adjustments to government transfers receivable:	
As previously reported	\$ -
Government transfers receivable	306,441
Annual amortization expense	-
As restated	<u>\$ 306,441</u>
	<u>2018</u>
Adjustments to deferred revenue:	
As previously reported	\$ 183,248
Government transfers receivable	<u>306,441</u>
As restated	<u>\$ 489,689</u>

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

DRAFT