
**SUMMER VILLAGE OF WHISPERING HILLS
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019**

SUMMER VILLAGE OF WHISPERING HILLS

DECEMBER 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of Whispering Hills 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 Whispering Hills

Mayor
Date:
Summer Village of Whispering Hills

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF SUMMER VILLAGE OF WHISPERING HILLS

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Summer Village of Whispering Hills (the Entity), 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 Whispering Hills 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

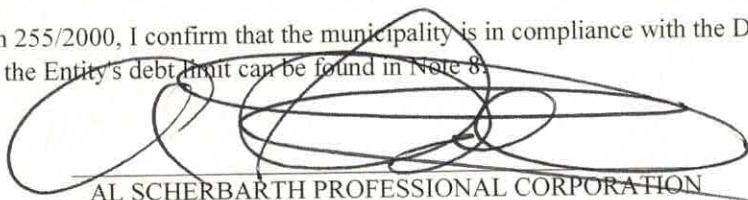
I will communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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 Entity's debt limit can be found in Note 8.

EDMONTON, ALBERTA
MAY 8, 2020



AL SCHERBARTH PROFESSIONAL CORPORATION

**SUMMER VILLAGE OF WHISPERING HILLS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

	2019	2018
FINANCIAL ASSETS		
Cash (Note 2)	\$ 301,297	\$ 268,002
Receivables		
Taxes receivable (Note 3)	24,187	40,680
Trade and other receivables (Note 4)	276,864	235,716
Government transfers receivable (Note 5)	161,611	68,946
Good and services tax receivable	5,375	15,587
	769,334	628,931
 LIABILITIES		
Accounts payable and accrued liabilities	15,893	11,097
Prepaid taxes	3,092	2,703
Deferred revenue (Note 6)	171,418	67,997
Long term debt (Note 7)	22,838	78,945
	213,241	160,742
 NET FINANCIAL ASSETS	556,093	468,189
 NON-FINANCIAL ASSETS		
Tangible Capital Assets	831,616	860,030
Prepaid expense	1,766	1,607
	833,382	861,637
 ACCUMULATED SURPLUS (Schedule 1)	\$ 1,389,475	\$ 1,329,826

**RESTATED
NOTE 15**

APPROVED BY COUNCIL

_____ MAYOR

_____ COUNCILLOR

**SUMMER VILLAGE OF WHISPERING HILLS
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2019**

	BUDGET	2019	2018
REVENUE			
Net municipal taxes (Schedule 3)	\$ 168,453	\$ 180,721	\$ 168,563
Penalties and costs of taxes	5,200	45,264	41,942
Gain on sale of land	-	40,792	-
Government transfers for operating (Schedule 4)	9,500	11,292	10,494
Other Revenues	12,962	6,746	10,549
Investment income	350	3,664	531
TOTAL REVENUE	196,465	288,479	232,079
EXPENSES			
Administration	88,225	71,881	66,464
Amortization	-	54,102	52,825
Parks and recreation	36,000	44,435	37,494
Waste management	26,000	25,708	25,692
Roads, streets, walks and lighting	15,000	18,509	12,624
Legislative	10,500	12,697	13,792
Culture	8,063	7,927	8,038
Fire and bylaws enforcement	4,400	5,496	3,812
BAILS	-	1,300	1,100
Land use zoning, planning and development	-	105	3,431
Family and community support	-	-	1,917
TOTAL EXPENSES	188,188	242,160	227,189
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	8,277	46,319	4,890
OTHER			
Government transfers for capital (Schedule 4)	-	13,330	26,931
EXCESS OF REVENUE OVER EXPENSES	8,277	59,649	31,821
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,329,826	1,329,826	1,298,005
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,338,103	\$ 1,389,475	\$ 1,329,826

**RESTATED
NOTE 15**

**SUMMER VILLAGE OF WHISPERING HILLS
STATEMENT OF CHANGE IN NET
FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2019**

	BUDGET	2019	2018
EXCESS OF REVENUE OVER EXPENSES	\$ 8,277	\$ 59,649	\$ 31,821
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(25,688)	(13,000)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	<u>-</u>	<u>54,102</u>	<u>52,825</u>
	<u>-</u>	<u>28,414</u>	<u>39,825</u>
USE OF PREPAID ASSETS	<u>-</u>	<u>(159)</u>	<u>(16)</u>
INCREASE IN NET FINANCIAL ASSETS	8,277	87,904	71,630
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>468,189</u>	<u>468,189</u>	<u>396,559</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 476,466</u>	<u>\$ 556,093</u>	<u>\$ 468,189</u>

SUMMER VILLAGE OF WHISPERING HILLS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

	2019	2018
OPERATING		
Excess of revenues over expenditures	\$ 59,649	\$ 31,821
Amortization	54,102	52,825
Non-cash changes to operations (net change):		
Decrease (increase) in taxes receivable	16,493	9,243
Decrease (increase) in trade and other receivables	(41,148)	(33,809)
Decrease (increase) in Goods and services tax receivable	10,212	9,871
Decrease (increase) in government transfers	(92,665)	-
Increase (decrease) in accounts payable and accrued liabilities	4,796	(1,684)
Increase (decrease) in prepaid taxes	389	(441)
Increase (decrease) in deferred revenue	103,421	40,025
Decrease (increase) in prepaid expenses	(159)	(16)
Cash provided by operating transactions	115,090	107,835
CAPITAL		
Purchases of tangible capital assets	(25,688)	(13,000)
INVESTING		
Long term debt repaid	(56,107)	(21,434)
CHANGE IN CASH DURING YEAR	33,295	73,401
CASH, BEGINNING OF YEAR	268,002	194,601
CASH, END OF YEAR (Note 2)	\$ 301,297	\$ 268,002

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 1

	UNRESTRICTED SURPLUS	RESTRICTED SURPLUS	EQUITY IN TANGIBLE CAPITAL ASSETS	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 545,029	3,712	\$ 781,085	\$ 1,329,826	\$ 1,298,005
Excess (deficiency) of revenues over expenses	59,649	-	-	59,649	31,821
Restricted funds used for operations	3,712	(3,712)	-	-	-
Restricted funds used for tangible capital assets	(13,330)	-	13,330	-	-
Current year funds used for tangible capital assets	(12,358)	-	12,358	-	-
Annual amortization expense	54,102	-	(54,102)	-	-
Long term debt repaid	(56,107)	-	56,107	-	-
Change in accumulated surplus	35,668	(3,712)	27,693	59,649	31,821
BALANCE, END OF YEAR	580,697	-	808,778	1,389,475	1,329,826

**RESTATED
NOTE 15**

**SUMMER VILLAGE OF WHISPERING HILLS
 SCHEDULE OF TANGIBLE CAPITAL ASSETS
 YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 2

	LAND	BUILDING	LAND IMPROVEMENTS	ENGINEERED STRUCTURES	MACHINERY & EQUIPMENT	VEHICLES	2019	2018
COST:								
Balance, beginning of year	\$ 162,000	\$ 99,809	\$ 60,083	\$ 805,591	\$ 108,012	\$ 19,838	\$ 1,255,333	\$ 1,242,333
Acquisition of tangible capital assets	-	-	-	13,330	-	12,358	25,688	13,000
Balance, end of year	162,000	99,809	60,083	818,921	108,012	32,196	1,281,021	1,255,333
ACCUMULATED AMORTIZATION:								
Balance, beginning of year		12,496	35,755	278,143	57,778	11,131	395,303	342,478
Annual amortization	-	1,996	4,006	40,614	5,400	2,086	54,102	52,825
Balance, end of year	-	14,492	39,761	318,757	63,178	13,217	449,405	395,303
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 162,000	\$ 85,317	\$ 20,322	\$ 500,164	\$ 44,834	\$ 18,979	\$ 831,616	\$ 860,030

**SUMMER VILLAGE OF WHISPERING HILLS
 SCHEDULE OF PROPERTY AND OTHER TAXES
 YEAR ENDED DECEMBER 31, 2019**

	SCHEDULE 3		
	BUDGET	2019	2018
TAXATION			
Real property taxes	\$ 290,403	\$ 294,795	\$ 284,411
Linear property taxes	1,820	2,223	2,076
	292,223	297,018	286,487
REQUISITION			
Alberta School Foundation Fund	119,806	112,747	112,870
Greater North Foundation	3,964	3,550	5,055
	123,770	116,297	117,925
NET MUNICIPAL TAXES	\$ 168,453	\$ 180,721	\$ 168,562

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2019**

	SCHEDULE 4		
	BUDGET	2019	2018
TRANSFERS FOR OPERATING			
Provincial government	\$ 9,500	\$ 11,292	\$ 10,494
TRANSFERS FOR CAPITAL			
Provincial government	-	-	26,931
Federal government	-	13,330	-
	-	13,330	26,931
TOTAL GOVERNMENT TRANSFERS	\$ 9,500	\$ 24,622	\$ 37,425

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

	SCHEDULE 5		
	BUDGET	2019	2018
EXPENSES			
Contracted and general services	\$ 113,375	\$ 130,359	\$ 114,129
Amortization of tangible capital assets	-	54,102	52,825
Salaries wages and benefits	44,850	45,645	47,120
Materials goods and utilities	10,963	10,682	10,981
Interest on term debt	19,000	1,372	2,134
TOTAL EXPENDITURE	\$ 188,188	\$ 242,160	\$ 227,189

SUMMER VILLAGE OF WHISPERING HILLS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Whispering Hills are the representatives 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 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 WHISPERING HILLS
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
Vehicles	10 years
Land Improvements	15 years

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

2. CASH

	2019	2018
Cash - unrestricted	\$ 291,490	\$ 256,119
Cash - restricted	<u>9,807</u>	<u>11,883</u>
	<u>\$ 301,297</u>	<u>\$ 268,002</u>

Cash includes cash in the bank and temporary investments with original maturities of three months or less. Restricted cash includes funds held for internally restricted funds and funds held for future projects under the Municipal Sustainability Initiative, Federal Gas Tax Fund and the Municipal Development Fund in the amount of \$9,807 (2018 - \$11,883) as described in Note 6.

SUMMER VILLAGE OF WHISPERING HILLS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

3. TAXES RECEIVABLE

	2019	2018
Current taxes	\$ 20,834	\$ 23,468
Arrears	<u>3,353</u>	<u>17,212</u>
	<u>\$ 24,187</u>	<u>\$ 40,680</u>

4. TRADE AND OTHER RECEIVABLES

The Summer Village of Whispering Hills had an ongoing legal issue with a Developer. In August 2015, the Summer Village issued a stop order under section 645 of the *Municipal Government Act* to the Developer. In 2016, the Developer failed to comply with the stop order. According to Section 646 of the *Act*, the Summer Village registered a caveat under the *Land Titles Act* against the title of the land and added the costs and expenses of enforcing the stop order to the tax roll (Section 553(h.1)), creating a significant accounts receivable balance. During 2017, the property was foreclosed and ownership of property reverted to the bank. The Summer Village expects to recover the receivable when the land is sold, however, a bad debt may arise if the land is sold for less than the value of accounts receivable. Any bad debt would be accounted for as a current transaction in the year the losses are determined.

5. GOVERNMENT TRANSFERS RECEIVABLE

	2019	2018
Municipal Sustainability Initiative	\$ 135,565	\$ 56,114
Federal Gas Tax Fund	<u>26,046</u>	<u>12,832</u>
	<u>\$ 161,611</u>	<u>\$ 68,946</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.

6. DEFERRED REVENUE

	2019	2018
Municipal Sustainability Grant - Capital	\$ 147,085	\$ 67,634
Federal Gas Tax Fund	13,079	363
Municipal Development Plan	<u>11,254</u>	<u>-</u>
	<u>\$ 171,418</u>	<u>\$ 67,997</u>

Funding in the amount of \$463,977 was received or committed in the current and prior years from the Municipal Sustainability Initiative, the Federal Gas Tax Fund and the Municipal Development Plan. 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:

	2019	2018
Cash	\$ 9,807	\$ 11,883
Government Transfers Receivable	<u>161,611</u>	<u>56,114</u>
	<u>\$ 171,418</u>	<u>\$ 67,997</u>

**SUMMER VILLAGE OF WHISPERING HILLS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

7. LONG TERM DEBT

	2019	2018
Tax supported debentures	\$ <u>22,838</u>	\$ <u>78,945</u>

The current portion of the long term debt amounts to \$8,981 (2018 - \$23,591).

Principal and interest payments are as follows:

	Principal	Interest	Total
2020	\$ 8,981	467	9,448
2021	9,186	262	9,448
2020	<u>4,671</u>	<u>53</u>	<u>4,724</u>
	<u>\$ 22,838</u>	<u>\$ 782</u>	<u>\$ 23,620</u>

Debenture debt is repayable to Alberta Capital Finance and bears interest at 2.269% per annum and matures in 2022. Debenture debt is issued on credit and security of the Summer Village at large. Interest on long term debt amounted to \$1,372 (2018 - \$2,134).

8. 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 Whispering Hills be disclosed as follows:

	2019	2018
Total debt limit	\$ 432,719	\$ 348,119
Total debt	<u>22,838</u>	<u>78,945</u>
Amount total debt limit unused	<u>\$ 409,881</u>	<u>269,174</u>
Debt servicing limit	\$ 72,120	58,020
Debt servicing	<u>23,591</u>	<u>21,434</u>
Amount of debt servicing limit unused	<u>\$ 48,529</u>	<u>36,586</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.

**SUMMER VILLAGE OF WHISPERING HILLS
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	Net 2019	Net 2018
Tangible capital assets (Schedule 2)	\$ 1,281,021	\$ 1,255,333
Accumulated amortization (Schedule 2)	(449,405)	(395,303)
Long term debt (Note 6)	<u>(22,838)</u>	<u>(78,945)</u>
	<u>\$ 808,778</u>	<u>\$ 781,085</u>

10. ACCUMULATED SURPLUS

	2019	2018
Unrestricted surplus	\$ 580,697	\$ 545,029
Restricted surplus		
Greater North Foundation	-	3,712
Equity in tangible capital assets	<u>808,778</u>	<u>781,085</u>
	<u>\$ 1,389,475</u>	<u>\$ 1,329,826</u>

11. 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:

	<u>2019</u>			<u>2018</u>
	Salary	Benefits Allowances	Total	Total
Councillors:				
Dennis Irving	\$ 4,185	\$ 1,672	\$ 5,857	\$ 6,525
Curtis Schoepp	1,600	1,603	3,203	2,891
Ed Scantland	2,100	1,537	3,637	3,914
Village Administrator	\$ 36,900	\$ 699	\$ 37,599	\$ 37,460
Assessor	\$ 5,789	\$ -	\$ -	\$ 5,638

- (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

**SUMMER VILLAGE OF WHISPERING HILLS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

12. COMPARATIVE FIGURES

Certain comparative amounts have been restated to reflect the current year financial statement presentation.

13. 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.

14. APPROVAL OF FINANCIAL STATEMENTS

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

15. 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:

	<u>2018</u>
Adjustments to opening accumulated surplus:	
As previously reported	\$ 1,178,977
Overstatement of prior years income	<u>150,849</u>
As restated	\$ <u>1,329,826</u>
	<u>2018</u>
Adjustments to government transfers receivable:	
As previously reported	\$ -
Government transfers receivable	68,946
Annual amortization expense	<u>-</u>
As restated	\$ <u>68,946</u>
	<u>2018</u>
Adjustments to deferred revenue:	
As previously reported	\$ 149,900
Overstatement of deferred revenue	<u>(150,849)</u>
Government transfers receivable	68,946
As restated	\$ <u>67,997</u>

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