

SUMMER VILLAGE OF WHITE SANDS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

SUMMER VILLAGE OF WHITE SANDS

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

	Page
Managements' Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Schedule 1 – Changes in Accumulated Surplus	8
Schedule 2 – Schedule of Tangible Capital Assets	9
Schedule 3 – Property and Other Taxes	10
Schedule 4 – Government Transfers	10
Schedule 5 – Expenses by Object	11
Schedule 6 – Segmented Disclosure	12
Notes to Financial Statements	13 - 25

**MANAGEMENTS' RESPONSIBILITY FOR
FINANCIAL REPORTING**

Management of the Summer Village of White Sands 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, 2023 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 judgements. 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 principally through council meetings. They meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

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

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the summer village. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the summer village's financial statements.



Chief Administrative Officer



Date



*Peggy Weinzierl, CPA, CA *Scott St. Arnaud, CPA, CA *Jolene P. Kobi, CPA, CA *Justin J. Tanner, CPA, CA

INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council
Summer Village of White Sands

Opinion

We have audited the financial statements of Summer Village of White Sands, which comprise the statement of financial position as at December 31, 2023 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the summer village as at December 31, 2023, the results of its operations, changes in its net financial assets (debt) and 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the summer village 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 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 purposes of expressing an opinion on the effectiveness of the summer village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the summer village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the 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.

Stettler, Alberta
April 29, 2024


CHARTERED PROFESSIONAL ACCOUNTANTS

SUMMER VILLAGE OF WHITE SANDS

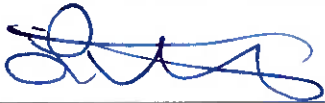
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	Restated (Note 4) 2022
FINANCIAL ASSETS		
Cash and short term investments (Note 5)	\$ 1,315,496	\$ 1,005,509
Taxes and grants in place of taxes receivable (Note 6)	1,007	8,768
Trade and other receivables	31,864	3,700
Receivable from other governments	186,082	15,510
Shirley McClellan Regional Water Services Commission investment (Note 7)	<u>124,355</u>	<u>124,355</u>
	<u>1,658,804</u>	<u>1,157,842</u>
LIABILITIES		
Accounts payable and accrued liabilities	106,776	86,501
Payable to other governments	53,863	39,444
Deferred revenue (Note 8)	653,214	152,465
Over levy	5,955	114
Due to Shirley McClellan Regional Water Services Commission (Note 9)	57,052	60,269
Reserve for public land	<u>152,750</u>	<u>152,375</u>
	<u>1,029,610</u>	<u>491,168</u>
NET FINANCIAL ASSETS (DEBT)	<u>629,194</u>	<u>666,674</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2, Note 11)	1,074,228	856,773
Prepaid expenses	<u>21,504</u>	<u>47,419</u>
	<u>1,095,732</u>	<u>904,192</u>
ACCUMULATED SURPLUS (Schedule 1, Note 12)	\$ <u>1,724,926</u>	\$ <u>1,570,866</u>

Contingencies – See Note 18

APPROVED ON BEHALF OF THE SUMMER VILLAGE COUNCIL:



Mayor

SUMMER VILLAGE OF WHITE SANDS

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	Restated (Note 4) 2022
REVENUES			
Net municipal taxes (Schedule 3)	\$ 469,597	\$ 466,216	\$ 407,292
Government transfers for operating (Schedule 4)	9,000	7,508	68,306
Sales of goods and user fees	2,000	1,130	7,169
Licenses and Permits	38,600	35,463	43,040
Investment income	22,300	1,260	2,700
Penalties and costs of taxes	2,500	4,951	4,524
Rentals	900	824	824
Fines and other revenues	1,000	-	93
Total Revenue	<u>545,897</u>	<u>517,352</u>	<u>533,948</u>
EXPENSES (Schedule 5)			
Legislative	17,695	16,177	11,699
Administration	167,995	201,162	171,466
Protective services	66,475	74,072	65,868
Transportation services	146,700	107,952	92,581
Water supply and distribution	3,700	2,302	2,711
Waste management	31,644	23,780	18,736
Planning and development	30,500	34,575	61,206
Parks and recreation	71,200	64,437	83,017
Library and culture	10,200	24,850	9,095
Amortization (Schedule 2)	-	78,983	76,712
Total Expenses	<u>546,109</u>	<u>628,290</u>	<u>593,091</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(212)	(110,938)	(59,143)
OTHER			
Government transfers for capital (Schedule 4)	<u>482,500</u>	<u>264,998</u>	<u>26,869</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 482,288</u>	<u>154,060</u>	<u>(32,274)</u>
ACCUMULATED SURPLUS – BEGINNING OF YEAR		<u>1,570,866</u>	<u>1,603,140</u>
ACCUMULATED SURPLUS – END OF YEAR		<u>\$ 1,724,926</u>	<u>\$ 1,570,866</u>

SUMMER VILLAGE OF WHITE SANDS
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	Restated (Note 4) 2022
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ <u>154,060</u>	\$ <u>(32,274)</u>
Acquisition of tangible capital assets	(296,438)	(29,569)
Amortization of tangible capital assets	<u>78,983</u>	<u>76,712</u>
	<u>(217,455)</u>	<u>47,143</u>
Acquisition of prepaid assets	(21,504)	(47,419)
Use of prepaid assets	<u>47,419</u>	<u>7,260</u>
	<u>25,915</u>	<u>(40,159)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)	(37,480)	(25,290)
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	<u>666,674</u>	<u>691,964</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ <u>629,194</u>	\$ <u>666,674</u>

SUMMER VILLAGE OF WHITE SANDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	Restated (Note 4) 2022
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ 154,060	\$ (32,274)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	78,983	76,712
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivables	7,761	7,806
Trade and other receivables	(28,164)	2,641
Receivable from other governments	(170,572)	22,751
Accounts payable and accrued liabilities	20,275	(5,293)
Payable to other governments	14,419	23,044
Deferred revenue	500,749	(105,238)
Over levy payable	5,841	(93)
Reserve for public land	375	375
Prepaid expenses	25,915	(40,159)
Net cash provided by (used in) operating activities	<u>609,642</u>	<u>(49,728)</u>
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(296,438)	(29,569)
Decrease (Increase) in restricted cash and short-term investments	<u>(363,305)</u>	<u>49,493</u>
Net cash provided by (used in) investing activities	<u>(659,743)</u>	<u>19,924</u>
FINANCING ACTIVITIES		
Due to Shirley McClellan Regional Water Services Commission	<u>(3,217)</u>	<u>(3,120)</u>
Net cash provided by (used in) financing activities	<u>(3,217)</u>	<u>(3,120)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(53,318)	(32,924)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>797,299</u>	<u>830,223</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>743,981</u>	<u>797,299</u>
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash and temporary investments (Note 5)	1,315,496	1,005,509
Less: Restricted portion of cash and temporary investments (Note 5)	<u>(571,515)</u>	<u>(208,210)</u>
	\$ <u>743,981</u>	\$ <u>797,299</u>

SUMMER VILLAGE OF WHITE SANDS

SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Surplus	Restricted Equity in Tangible Surplus	Capital Assets	2023	Restated (Note 4) 2022
BALANCE - BEGINNING OF YEAR					
As previously reported	\$ 133,453	\$ 563,673	\$ 856,773	\$ 1,553,899	\$ 1,603,140
Prior period adjustment (Note 4)	<u>16,967</u>	<u>-</u>	<u>-</u>	<u>16,967</u>	<u>-</u>
As restated	<u>150,420</u>	<u>563,673</u>	<u>856,773</u>	<u>1,570,866</u>	<u>1,603,140</u>
Excess (deficiency) of revenues over expenses	154,060	-	-	154,060	(32,274)
Restricted funds used for operations	24,084	(24,084)	-	-	-
Current year funds used for tangible capital assets	(296,438)	-	296,438	-	-
Annual amortization expense	<u>78,983</u>	<u>-</u>	<u>(78,983)</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>(39,311)</u>	<u>(24,084)</u>	<u>217,455</u>	<u>154,060</u>	<u>(32,274)</u>
BALANCE - END OF YEAR	<u>\$ 111,109</u>	<u>\$ 539,589</u>	<u>\$ 1,074,228</u>	<u>\$ 1,724,926</u>	<u>\$ 1,570,866</u>

SUMMER VILLAGE OF WHITE SANDS

SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
COST:								
BALANCE - BEGINNING OF YEAR	20,300	157,113	470,827	628,612	189,777	27,615	1,494,244	1,464,675
Acquisition of tangible capital assets	-	28,101	118,466	82,964	66,907	-	296,438	29,569
Disposal of tangible capital assets	-	-	-	-	-	-	-	-
BALANCE - END OF YEAR	<u>20,300</u>	<u>185,214</u>	<u>589,293</u>	<u>711,576</u>	<u>256,684</u>	<u>27,615</u>	<u>1,790,682</u>	<u>1,494,244</u>
ACCUMULATED AMORTIZATION:								
BALANCE - BEGINNING OF YEAR	-	110,872	100,328	288,689	112,729	24,853	637,471	560,759
Annual amortization	-	8,120	10,704	34,737	22,660	2,762	78,983	76,712
Accumulated amortization on disposal	-	-	-	-	-	-	-	-
BALANCE - END OF YEAR	<u>-</u>	<u>118,992</u>	<u>111,032</u>	<u>323,426</u>	<u>135,389</u>	<u>27,615</u>	<u>716,454</u>	<u>637,471</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>20,300</u>	<u>66,222</u>	<u>478,261</u>	<u>388,150</u>	<u>121,295</u>	<u>-</u>	<u>1,074,228</u>	<u>856,773</u>
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 20,300</u>	<u>\$ 46,241</u>	<u>\$ 370,499</u>	<u>\$ 339,923</u>	<u>\$ 77,048</u>	<u>\$ 2,762</u>	<u>\$ 856,773</u>	<u>\$ 856,773</u>

SUMMER VILLAGE OF WHITE SANDS

SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
TAXATION			
Real property taxes	\$ 817,401	\$ 810,406	\$ 755,551
Linear property taxes	5,824	5,824	4,550
Designated industrial property taxes	<u>46</u>	<u>46</u>	<u>36</u>
	<u>823,271</u>	<u>816,276</u>	<u>760,137</u>
REQUISITIONS			
Alberta School Foundation Fund	299,711	296,097	299,711
Seniors Foundation	53,963	53,963	53,134
Designated industrial property	<u>-</u>	<u>-</u>	<u>-</u>
	<u>353,674</u>	<u>350,060</u>	<u>352,845</u>
NET MUNICIPAL TAXES	<u>\$ 469,597</u>	<u>\$ 466,216</u>	<u>\$ 407,292</u>

SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	Restated (Note 4) 2022
TRANSFER FOR OPERATING:			
Provincial government	\$ 3,000	\$ 18,740	\$ 44,474
Federal government	6,000	6,300	23,832
Federal government – reversal	<u>-</u>	<u>(17,532)</u>	<u>-</u>
	<u>9,000</u>	<u>7,508</u>	<u>68,306</u>
TRANSFERS FOR CAPITAL			
Provincial government	462,500	270,265	16,769
Federal government	20,000	4,833	10,100
Federal government – reversal	<u>-</u>	<u>(10,100)</u>	<u>-</u>
	<u>482,500</u>	<u>264,998</u>	<u>26,869</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 491,500</u>	<u>\$ 272,506</u>	<u>\$ 95,175</u>

SUMMER VILLAGE OF WHITE SANDS

SCHEDULE 5 – EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	Restated (Note 4) 2022
EXPENSES BY OBJECT			
Salaries, wages, and benefits	\$ 212,000	\$ 212,161	\$ 195,688
Contracted and general services	235,564	256,045	255,678
Purchases from other governments	1,000	-	5,850
Materials, goods, supplies and utilities	55,645	49,144	57,226
Transfers to other governments	40,000	30,000	-
Bank charges and short-term interest	600	813	677
Interest on long term debt	1,300	1,144	1,260
Amortization of tangible capital assets	<u>-</u>	<u>78,983</u>	<u>76,712</u>
TOTAL EXPENDITURES	\$ <u>546,109</u>	\$ <u>628,290</u>	\$ <u>593,091</u>

SUMMER VILLAGE OF WHITE SANDS

SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protective Services	Transportation Services	Environmental Services	Planning & Development	Parks & Recreation	Library & Culture	Total
REVENUE								
Net municipal taxes	\$ 466,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466,216
Provincial government transfers	146,957	-	121,380	-	-	20,668	-	289,005
Federal government transfers	(10,100)	-	(17,532)	-	-	11,133	-	(16,499)
Sales of goods and user fees	1,130	-	-	-	-	-	-	1,130
Licenses and permits	3,400	-	-	-	32,063	-	-	35,463
Investment income	1,260	-	-	-	-	-	-	1,260
Penalties and costs of taxes	4,951	-	-	-	-	-	-	4,951
Rentals	-	824	-	-	-	-	-	824
	<u>613,814</u>	<u>824</u>	<u>103,848</u>	<u>-</u>	<u>32,063</u>	<u>31,801</u>	<u>-</u>	<u>782,350</u>
EXPENSES								
Salaries, wages and benefits	121,958	-	48,608	-	-	41,595	-	212,161
Contracted and general services	81,406	74,072	14,805	23,780	27,117	13,519	21,346	256,045
Materials, goods, supplies and utilities	13,162	-	14,540	1,158	7,458	9,323	3,503	49,144
Transfers to other governments	-	-	30,000	-	-	-	-	30,000
Bank charges and short term interest	813	-	-	-	-	-	-	813
Interest on long term debt	-	-	-	1,144	-	-	-	1,144
	<u>217,339</u>	<u>74,072</u>	<u>107,953</u>	<u>26,082</u>	<u>34,575</u>	<u>64,437</u>	<u>24,849</u>	<u>549,307</u>
NET REVENUE, BEFORE AMORTIZATION AND ACCRETION	<u>396,475</u>	<u>(73,248)</u>	<u>(4,105)</u>	<u>(26,082)</u>	<u>(2,512)</u>	<u>(32,636)</u>	<u>(24,849)</u>	<u>233,043</u>
Amortization expense	<u>8,684</u>	<u>-</u>	<u>59,424</u>	<u>3,453</u>	<u>-</u>	<u>7,422</u>	<u>-</u>	<u>78,983</u>
NET REVENUE	<u>\$ 387,791</u>	<u>\$ (73,248)</u>	<u>\$ (63,529)</u>	<u>\$ (29,535)</u>	<u>\$ (2,512)</u>	<u>\$ (40,058)</u>	<u>\$ (24,849)</u>	<u>\$ 154,060</u>

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Chartered Professional Accountants 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 expenditures, changes in fund balances and change in financial position of the reporting entity which comprises all the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes operating requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity. The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of Accounting

The basis of accounting followed in the financial statement presentation is the accrual basis of accounting, which includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

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.

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Use of Estimates – Continued

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(d) Cash and Cash Equivalent

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term investments with maturity dates not exceeding 1 year.

(e) Taxes and Grants in Place of Taxes Receivable

Current and arrears taxes and grants in place of taxes receivable consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

(f) Allowances for Operating Assets

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.

(g) Investments

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(h) Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual 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.

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(i) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post – remediation including operation, maintenance and monitoring.

(j) Tax Revenue

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

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

(k) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the summer village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

(l) 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, nor the result of a direct financial return. Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be determined.

(m) Interest on Long-Term Debt

Interest on long-term debt is recorded as an expenditure as payment is made and is accrued for as long-term debt interest payable at the end of the year.

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(n) 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 (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, betterment or retirement 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:

	YEARS
Land Improvements	15 - 25
Buildings	25 - 50
Engineered structures	
Water system	45 - 75
Wastewater system	45 - 75
Road system	5 - 40
Machinery and equipment	5 - 20
Vehicles	10

One half of the provision for amortization is recorded in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Included in buildings is \$113,066 (2022 – \$NIL) of assets under construction. These amounts have not been amortized.

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Leases

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

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial instruments of the summer village consist of cash and short-term investments, accounts receivable, and accounts payable. These financial instruments are measured at their carrying value since it is comparable to their fair values due to their short maturities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down would be recognized in net income.

The summer village recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

It is the policy of the summer village not to disclose fair value information on financial assets and liabilities for which fair value is not readily obtainable.

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

(a) Section PS 3160 – Public Private Partnerships

This section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. Effective for the fiscal years beginning on or after April 1, 2023.

(b) Section PS 3400 – Revenue

This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Effective for the fiscal years beginning on or after April 1, 2023.

(c) Section PSG – 8 – Purchased Intangibles

This section establishes standards on how to recognize and record purchased intangibles that meet the definition of an asset. Effective for the fiscal years beginning on or after April 1, 2023.

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED - Continued

(d) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgment is applied. Effective for the fiscal years beginning on or after April 1, 2026.

(e) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

3. ACCOUNTING CHANGES – ASSET RETIREMENT OBLIGATIONS

The summer village adopted the recommendations in the CPA Canada Handbook, Section PS 3280, *Asset Retirement Obligations*, on how to account for a liability for the retirement of a tangible capital asset for fiscal years beginning on or after April 1, 2022, applied on a modified retroactive basis with restatement of prior year comparative information. The summer village chose to apply the amendments at the beginning of the earliest period presented, January 1, 2022. Adoption of this new standard did not lead to any adjustments to the comparative figures.

4. PRIOR PERIOD ADJUSTMENTS

Federal grant income in the sum of \$23,033 was reversed against the corresponding receivable from other governments in the prior year as there is no further amount to be received from the BMTG grant program.

Transfers to other governments in relation to payments for a road access agreement in the sum of \$40,000 was reversed from expenses and added to prepaid expenses in the prior year as the agreement did not take effect until April 2023.

Correction of these prior period amounts have resulted in adjustments to the comparative figures as follows:

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

4. PRIOR PERIOD ADJUSTMENTS - continued

	As Restated	As Previously Reported	Adjustment
STATEMENT OF FINANCIAL POSITION			
FINANCIAL ASSETS			
Receivable from other governments	\$ 15,510	\$ 38,543	\$ (23,033)
Total financial assets	1,157,842	1,180,875	(23,033)
NET FINANCIAL ASSETS (DEBT)	666,674	689,707	(23,033)
NON-FINANCIAL ASSETS			
Prepaid expenses	47,419	7,419	40,000
Total non-financial assets	904,192	864,192	40,000
ACCUMULATED SURPLUS (Schedule 1, Note 12)	1,570,866	1,553,899	16,967

STATEMENT OF OPERATIONS

REVENUES			
Government transfers for operating (Schedule 4)	68,306	91,339	(23,033)
Total Revenue	533,948	556,981	(23,033)
EXPENSES			
Transportation services	92,581	132,581	(40,000)
Total Expenses	593,091	633,091	(40,000)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE OTHER	(59,143)	(76,110)	16,967
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(32,274)	(49,241)	16,967
ACCUMULATED SURPLUS – END OF YEAR	1,570,866	1,553,899	16,967

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(32,274)	(49,241)	16,967
Acquisition of prepaid assets	(47,419)	(7,419)	(40,000)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)	(25,290)	(2,257)	(23,033)
NET FINANCIAL ASSETS (DEBT) – END OF YEAR	666,674	689,707	(23,033)

STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES			
Excess (shortfall) of revenues over expenses	(32,274)	(49,241)	16,967
Receivable from other governments	22,751	(282)	23,033
Prepaid expenses	(40,159)	(159)	(40,000)

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

5. CASH AND SHORT TERM INVESTMENTS

	2023	2022
Cash	\$ 715,496	\$ 1,005,509
Temporary investments	<u>600,000</u>	<u>-</u>
	<u>\$ 1,315,496</u>	<u>\$ 1,005,509</u>

Included in cash and temporary investments is a restricted amount of \$492,239 (2022 - \$152,465) received from various government programs related to deferred grant funding less grants receivable (Note 8) and \$79,276 (2022 - \$55,745) related to deposits held for future land sales. Temporary investments consist of GIC's earning interest at rates of 4.8% and 3.9% with maturity dates of March 1, 2024 and May 24, 2024.

6. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2023	2022
Current taxes and grants in place of taxes	\$ 1,007	\$ 7,604
Arrears taxes	<u>-</u>	<u>1,164</u>
	<u>\$ 1,007</u>	<u>\$ 8,768</u>

7. LONG-TERM INVESTMENTS

	2023	2022
Shirley McClellan Region Water Services Commission	\$ <u>124,355</u>	\$ <u>124,355</u>

The summer village is a member of the Shirley McClellan Regional Water Services Commission. The investment is recorded at cost and represents their equity in the commission.

8. DEFERRED REVENUE

	2023	2022
Municipal sustainability initiative	\$ 466,690	\$ 127,337
Canada community building fund	<u>186,524</u>	<u>25,128</u>
	<u>\$ 653,214</u>	<u>\$ 152,465</u>

The use of these funds is restricted to eligible capital projects, as approved under the funding agreements. Unexpended funds related to these advances are supported by government receivables of \$160,975 (2022 - \$NIL) and restricted cash of \$492,239 (2022 - \$152,465) (Note 5).

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

9. LONG-TERM DEBT

	2023	2022
Payable to Shirley McClellan Regional Water Services Commission due \$2,203 semi-annually including interest at 3.0757% maturing December 2037	\$ <u>57,052</u>	\$ <u>60,269</u>

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	\$ 2,610	\$ 1,796	\$ 4,406
2025	2,691	1,715	4,406
2026	2,774	1,632	4,406
2027	2,860	1,546	4,406
2028	2,949	1,457	4,406
Thereafter	<u>43,168</u>	<u>8,644</u>	<u>51,812</u>
	<u>\$ 57,052</u>	<u>\$ 16,790</u>	<u>\$ 73,842</u>

10. 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 White Sands be disclosed as follows:

	2023	2022
Total debt limit	\$ 776,028	\$ 832,472
Total debt	<u>57,052</u>	<u>60,269</u>
Amount of debt limit (exceeded) available	<u>718,976</u>	<u>772,203</u>
Debt servicing limit	129,338	138,475
Debt servicing	<u>4,406</u>	<u>4,406</u>
Amount of debt servicing limit (exceeded) available	<u>\$ 124,932</u>	<u>\$ 134,069</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 WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

11. TANGIBLE CAPITAL ASSETS

Net Book Value	2023	2022
Land	\$ 20,300	\$ 20,300
Land improvements	66,222	46,241
Buildings	478,261	370,499
Engineering Structures		
Roadway System	114,427	120,122
Water System	50,738	51,927
Storm System	222,985	167,874
Machinery & Equipment & Furnishings	121,295	77,048
Vehicles	-	2,762
	<u>\$ 1,074,228</u>	<u>\$ 856,773</u>

12. ACCUMULATED SURPLUS

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

	2023	Restated (Note 4) 2022
Unrestricted surplus (deficit)	\$ 111,109	\$ 150,420
Restricted surplus (Note 13)	539,589	563,673
Equity in tangible capital assets (Note 14)	<u>1,074,228</u>	<u>856,773</u>
	<u>\$ 1,724,926</u>	<u>\$ 1,570,866</u>

13. RESTRICTED SURPLUS

Council has designated reserves for operating and capital activities. The reserves changed as follows:

	2022	Increases	Decreases	2023
General	\$ <u>563,673</u>	\$ -	\$ <u>24,084</u>	\$ <u>539,589</u>

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
Cost of tangible capital assets (Schedule 2)	\$ 1,790,682	\$ 1,494,244
Accumulated amortization (Schedule 2)	<u>(716,454)</u>	<u>(637,471)</u>
	\$ <u>1,074,228</u>	\$ <u>856,773</u>

15. FINANCIAL INSTRUMENTS

The summer village is exposed to various risks through its financial instruments. The following analysis provides a measure of the summer village's risk exposure and concentrations at the balance sheet date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

It is management's opinion that the summer village is not exposed to significant currency or other price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The summer village has fixed rate debt which is subject to fair value risk, as the value will fluctuate as a result of changes in market rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The summer village is subject to credit risk with respect to taxes and grants in place of 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 large number and diversity of taxpayers and customers minimizes the credit risk. The carrying value of accounts receivable reflects management's assessment of credit risk.

Operating Lines of Credit

At December 31, 2023, the summer village had a credit card with a limit of \$3,000 (2022 - \$3,000) of which \$NIL (2022 - \$NIL) had been drawn down. This credit card bears interest at 11.99%.

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

16. SALARY & BENEFITS DISCLOSURE

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

	2023			2022	
	Salary (1)	Benefits & Allowances (2)	Total	Total	
L. Thurston, Mayor	\$ 5,775	\$ -	\$ 5,775	\$	5,725
E. Waugh, Councilor	2,050	-	2,050		1,750
R. Huff, Councilor	2,700	-	2,700		75
B. Sanchuck, Councilor	-	-	-		2,825
D. Pickering, CAO	36,230	7,941	44,171		87,540
M. Beebe, CAO	\$ 26,700	\$ 5,700	\$ 32,400	\$	-

Designated officers include a contract assessor. There is no direct salary paid for this position. Terry Willoughby of Municipal Property Assessment Consultants (2009) Ltd. was paid a contract fee of \$12,289 (2022 - \$12,263) for this position.

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits & allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

17. COMMITMENTS

The summer village has a commitment with the Shirley McClellan Regional Water Services Commission to share in any deficit funding the commission encounters.

The summer village has a road access agreement with the County of Stettler to share in the cost of maintaining and servicing the roads leading to the summer village. The agreement expires March 31, 2026 and shall automatically renew for successive terms of four years each. Either party may terminate the contract with 120 days notice. Payments of \$40,000 plus inflation are due annually.

SUMMER VILLAGE OF WHITE SANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

18. CONTINGENCIES

The summer village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the summer village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The summer village is a member municipality of the Stettler Regional Waste Management Authority and provides funds for the operation on an annual basis. The authority is accumulating reserves to fund any future asset retirement obligations. The member municipalities may be liable for future costs in excess of the restricted surplus.

19. SEGMENTED DISCLOSURE

The Summer Village of White Sands 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 Schedule 6 – Segmented Disclosure.

20. COMPARATIVE FIGURES

Certain 2022 comparative figures have been reclassified in order to conform with the financial statement presentation adopted for 2023.

21. BUDGET AMOUNTS

Budget figures for the year ended December 31, 2023 were approved as May 17, 2023 and are for information purposes. These amounts have not been audited.

22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.