
**SUMMER VILLAGE OF SOUTH BAPTISTE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Al Scherbarth

Professional Corporation
Chartered Professional Accountant

SUMMER VILLAGE OF SOUTH BAPTISTE

DECEMBER 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of South Baptiste 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.

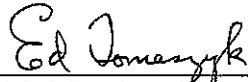
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable 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.

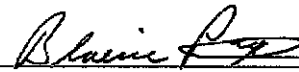
The Summer Village Council carries out its responsibilities for review of the financial statements through its regular meetings with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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: APRIL 30, 2020
Summer Village of South Baptiste



Mayor
Date: APRIL 30, 2020
Summer Village of South Baptiste

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF SUMMER VILLAGE OF SOUTH BAPTISTE

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Summer Village of South Baptiste, 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 South Baptiste 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.

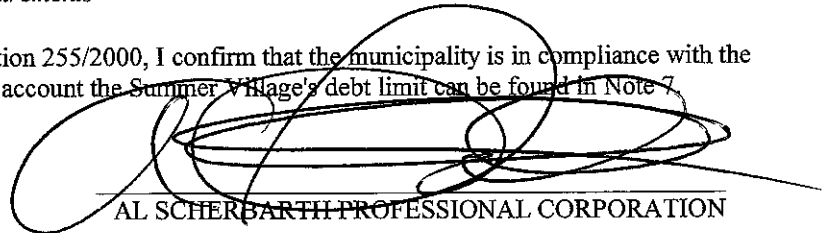
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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 7.

EDMONTON, ALBERTA
APRIL 30, 2020



AL SCHERBARTH PROFESSIONAL CORPORATION

**SUMMER VILLAGE OF SOUTH BAPTISTE
FINANCIAL POSITION
DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 97,061	\$ 81,015
Receivables		
Taxes receivable (Note 3)	12,213	3,817
Government transfers receivable (Note 4)	69,519	327,217
Good and services tax receivable	17,310	4,223
Requisition under levy	2,064	-
Accrued interest	1,737	1,521
Investments (Note 5)	330,000	308,418
	<hr/> 529,904	<hr/> 726,211
LIABILITIES		
Accounts payable and accrued liabilities	11,540	6,893
Prepaid taxes	1,939	-
Deferred revenue (Note 6)	84,878	300,059
	<hr/> 98,357	<hr/> 306,952
NET FINANCIAL ASSETS	431,547	419,259
NON-FINANCIAL ASSETS		
Tangible Capital Assets	1,154,940	870,729
ACCUMULATED SURPLUS (Schedule 1)	<hr/> \$ 1,586,487	<hr/> \$ 1,289,988

**RESTATED
NOTE 13**

APPROVED BY COUNCIL

_____ MAYOR

_____ COUNCILLOR

**SUMMER VILLAGE OF SOUTH BAPTISTE
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2019**

	BUDGET	2019	2018
REVENUE			
Net municipal taxes (Schedule 3)	\$ 77,367	\$ 77,542	\$ 74,542
Government transfers for operating (Schedule 4)	16,750	18,599	16,742
Investment income	-	5,281	4,550
Other revenues	16,777	3,989	11,353
Penalties and costs of taxes	-	2,515	2,803
TOTAL REVENUE	110,894	107,926	109,990
EXPENSES			
Administration	57,716	55,374	41,200
Roads, streets, walks and lighting	276,494	21,643	43,184
Water waste treatment and disposal	11,733	11,733	11,733
Amortization	-	7,756	227
Legislative	5,582	4,845	3,730
Fire and bylaws enforcement	2,303	2,043	1,349
TOTAL EXPENSES	353,828	103,394	101,423
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER	(242,934)	4,532	8,567
OTHER			
Government transfers for capital (Schedule 4)	-	291,967	-
EXCESS OF REVENUE OVER EXPENSES	(242,934)	296,499	8,567
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,289,988	1,289,988	1,281,421
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,047,054	\$ 1,586,487	\$ 1,289,988

RESTATED
NOTE 13

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

	BUDGET	<u>2019</u>	<u>2018</u>
EXCESS OF REVENUE OVER EXPENSES	\$ (242,934)	\$ 296,499	\$ 8,567
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(291,967)	(9,146)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	<u>-</u>	<u>7,756</u>	<u>227</u>
INCREASE IN NET FINANCIAL ASSETS	(242,934)	12,288	(352)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>419,259</u>	<u>419,259</u>	<u>419,611</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 176,325</u>	<u>\$ 431,547</u>	<u>\$ 419,259</u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
OPERATING		
Excess of revenues over expenditures	\$ 296,499	\$ 8,567
Amortization	7,756	227
Non-cash changes to operations (net change):		
Decrease (increase) in taxes receivable	(8,396)	2,116
Decrease (increase) in trade and other receivables	255,634	-
Decrease (increase) in Goods and services tax receivable	(13,087)	(1,933)
Decrease (increase) in accrued interest	(216)	(713)
Increase (decrease) in accounts payable and accrued liabilities	4,647	(2,991)
Increase (decrease) in prepaid taxes	1,939	(1,575)
Increase (decrease) in deferred revenue	(215,181)	-
Cash provided by operating transactions	329,595	3,698
CAPITAL		
Purchases of tangible capital assets	(291,967)	(9,146)
INVESTING		
Decrease (increase) in investments	(21,582)	(3,836)
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR	16,046	(9,284)
CASH AND TEMPORARY INVESTMENTS		
BEGINNING OF YEAR	81,015	90,299
CASH AND TEMPORARY INVESTMENTS AT		
END OF YEAR (Note 2)	\$ 97,061	\$ 81,015

**SUMMER VILLAGE OF SOUTH BAPTISTE
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	\$ 332,759	\$ 86,500	\$ 870,729	\$ 1,289,988	\$ 1,281,421
Excess (deficiency) of revenues over expenses	296,499	-	-	296,499	8,567
Restricted funds used for tangible capital assets	(291,967)	-	291,967	-	-
Annual amortization expense	7,756	-	(7,756)	-	-
BALANCE, END OF YEAR	345,047	86,500	1,154,940	1,586,487	1,289,988

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 2

	<u>LAND</u>	<u>ENGINEERED STRUCTURES</u>	<u>2019</u>	<u>2018</u>
COST:				
Balance, beginning of year	\$ 861,810	\$ 1,145,646	\$ 2,007,456	\$ 1,998,310
Acquisition of tangible capital assets	-	291,967	291,967	9,146
Disposal of capital assets	-	(1,136,500)	(1,136,500)	-
Balance, end of year	861,810	301,113	1,162,923	2,007,456
ACCUMULATED AMORTIZATION:				
Balance, beginning of year		1,136,727	1,136,727	1,136,500
Disposals	-	(1,136,500)	(1,136,500)	-
Annual amortization	-	7,756	7,756	227
Balance, end of year	-	7,983	7,983	1,136,727
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 861,810	\$ 293,130	\$ 1,154,940	\$ 870,729

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF PROPERTY AND OTHER TAXES
 YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 3

	BUDGET	<u>2019</u>	<u>2018</u>
TAXATION			
Real property taxes	\$ 128,631	\$ 130,695	\$ 126,117
Linear property taxes	1,964	1,964	2,181
	130,595	132,659	128,298
REQUISITION			
Alberta School Foundation Fund	48,818	50,883	48,818
Greater North Foundation	4,410	4,234	4,938
	53,228	55,117	53,756
NET MUNICIPAL TAXES	\$ 77,367	\$ 77,542	\$ 74,542

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2019**

SCHEDULE 4

	BUDGET	2019	2018
TRANSFERS FOR OPERATING			
Provincial government	\$ 16,750	\$ 18,599	\$ 16,742
TRANSFERS FOR CAPITAL			
Provincial government	-	291,967	-
TOTAL GOVERNMENT TRANSFERS	\$ 16,750	\$ 310,566	\$ 16,742

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

SCHEDULE 5

	BUDGET	2019	2018
EXPENSES			
Contracted and general services	\$ 345,551	\$ 88,845	\$ 96,238
Salaries wages and benefits	5,582	4,845	3,730
Materials goods and utilities	2,695	1,948	1,228
Amortization of tangible capital assets	-	7,756	227
TOTAL EXPENDITURE	\$ 353,828	\$ 103,394	\$ 101,423

SUMMER VILLAGE OF SOUTH BAPTISTE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Summer Village of South Baptiste 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 SOUTH BAPTISTE
 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:

Engineered structures - roads	20 years
Engineered structures - water structures	20 years

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

2. CASH AND TEMPORARY INVESTMENTS

	<u>2019</u>	<u>2018</u>
Cash in bank	\$ <u>97,061</u>	\$ <u>81,015</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.

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

3. TAXES RECEIVABLE

	<u>2019</u>	<u>2018</u>
Current taxes	\$ 11,536	\$ 3,817
Arrears	<u>677</u>	<u>-</u>
	<u>\$ 12,213</u>	<u>\$ 3,817</u>

4. GOVERNMENT TRANSFERS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Municipal Sustainability Initiative	<u>\$ 69,519</u>	<u>\$ 327,217</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. INVESTMENTS

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Market value</u>	<u>Cost</u>	<u>Market value</u>
Short-term deposits	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 308,418</u>	<u>\$ 308,418</u>

Short-term deposits have effective interest rates of 1.70% (2018 - .45% to 1.55%) and mature in less than one year. It is the intent of management to roll all the short-term deposits into new investments in 2020.

Included in investments are restricted amounts of \$15,539 received from the Municipal Sustainability Initiative and Federal Gas Tax Fund. These amounts are held exclusively for approved projects (Note 6).

6. DEFERRED REVENUE

	<u>2019</u>	<u>2018</u>
Municipal Sustainability Grant - Capital	\$ 77,611	\$ 300,059
Federal Gas Tax Fund	<u>7,267</u>	<u>-</u>
	<u>\$ 84,878</u>	<u>\$ 300,059</u>

Funding in the amount of \$84,878 was received or committed from the Municipal Sustainability Initiative and the Federal Gas Tax Fund. 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>
Government Transfers Receivable	69,519	327,217
Investments (Note 5)	<u>15,359</u>	<u>-</u>
	<u>\$ 84,878</u>	<u>\$ 327,217</u>

In prior years, the Summer Village reported higher project expenditures than allocations from Municipal Sustainability Initiative resulting in temporary advances from the operating fund. There was no cash or investments on hand that were restricted to eligible capital projects.

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

7. DEBT LIMITS

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

	<u>2019</u>	<u>2018</u>
Total debt limit	\$ 161,889	\$ 164,985
Total debt	<u>-</u>	<u>-</u>
Amount total debt limit unused	<u>\$ 161,889</u>	<u>164,985</u>
Debt servicing limit	\$ 26,982	27,498
Debt servicing	<u>-</u>	<u>-</u>
Amount of debt servicing limit unused	<u>\$ 26,982</u>	<u>27,498</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.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>Net 2019</u>	<u>Net 2018</u>
Tangible capital assets (Schedule 2)	\$ 1,162,923	\$ 2,007,456
Accumulated amortization (Schedule 2)	<u>(7,983)</u>	<u>(1,136,727)</u>
	<u>\$ 1,154,940</u>	<u>\$ 870,729</u>

9. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
Unrestricted surplus	345,047	332,759
Restricted surplus	86,500	86,500
Equity in tangible capital assets	<u>1,154,940</u>	<u>870,729</u>
	<u>\$ 1,586,487</u>	<u>\$ 1,289,988</u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. 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> Total	<u>2018</u> Total
Councillors:		
Reg Stapley	\$ 1,595	\$ 1,260
Blaine Page	1,595	1,267
Wendy Appleby	1,655	1,203
Village Administrator	30,000	30,000
Assessment	2,781	2,707

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

11. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash, investments, 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.

12. 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 SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

13. 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	\$ 1,197,430
Understatement of prior years income	<u>92,558</u>
As restated	\$ <u>1,289,988</u>
	<u>2018</u>
Adjustments to government transfers receivable:	
As previously reported	\$ -
Government transfers receivable	327,217
Annual amortization expense	<u>-</u>
As restated	\$ <u>327,217</u>
	<u>2018</u>
Adjustments to deferred revenue:	
As previously reported	\$ 65,400
Overstatement of deferred revenue	(92,558)
Government transfers receivable	<u>327,217</u>
As restated	\$ <u>300,059</u>

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

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

13. PRIOR PERIOD ADJUSTMENTS

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	<u>2018</u>
Adjustments to government transfers receivable:	
As previously reported	\$ -
Government transfers receivable	327,217
Annual amortization expense	<u>-</u>
As restated	<u>\$ 327,217</u>
	<u>2018</u>
Adjustments to deferred revenue:	
As previously reported	\$ 65,400
Overstatement of deferred revenue	(92,558)
Government transfers receivable	<u>327,217</u>
As restated	<u>\$ 300,059</u>

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