

VILLAGE OF WABAMUN
Financial Statements
For The Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Parkland County

Opinion

We have audited the financial statements of Village of Wabamun (the Village), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and accumulated surplus, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2020, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process.

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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 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 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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta

April 27, 2021

VILLAGE OF WABAMUN
Statement of Financial Position
As At December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 927,086	\$ 783,726
Investments <i>(Note 3)</i>	57,450	55,759
Receivables <i>(Note 4)</i>	1,074,085	1,101,947
Land held for resale	2,076,643	2,155,079
	<u>4,135,264</u>	<u>4,096,511</u>
LIABILITIES		
Accounts payable and accrued liabilities	169,088	152,692
Deposit liabilities	2,000	3,000
Deferred revenue <i>(Note 5)</i>	196,813	363,879
	<u>367,901</u>	<u>519,571</u>
NET FINANCIAL ASSETS	<u>3,767,363</u>	<u>3,576,940</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 6)</i>	13,955,467	14,069,097
	<u>13,955,467</u>	<u>14,069,097</u>
ACCUMULATED SURPLUS <i>(Note 7)</i>	<u>\$ 17,722,830</u>	<u>\$ 17,646,037</u>
Contingencies <i>(Note 10)</i>		

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

VILLAGE OF WABAMUN

Statement of Annual Surplus and Accumulated Surplus

For the Year Ended December 31, 2020

	2020 (Budget) (Note 16)	2020 (Actual)	2019 (Actual)
REVENUE			
Sales and user charges (Schedule 4)	\$ 655,797	\$ 870,642	\$ 942,695
Net municipal taxes (Schedule 2)	812,500	824,920	823,831
Government transfers for operating (Schedule 3)	616,255	378,592	326,129
Other	250,061	359,891	264,843
Franchise and concession contracts	66,000	72,949	73,763
Rentals	44,300	36,679	53,240
Penalties and costs on taxes	10,000	12,280	12,340
Interest	15,000	7,568	20,547
Licenses and permits	9,650	4,505	7,860
Fines	1,000	4,413	2,884
	<u>2,480,563</u>	<u>2,572,439</u>	<u>2,528,132</u>
EXPENSES			
General administration	727,216	580,128	468,709
Roads, streets, walks and lighting	400,630	525,974	547,602
Water supply and distribution	409,397	334,183	349,844
Waste water treatment and disposal	212,331	251,671	161,336
Land use planning, zoning and development	127,888	140,429	189,355
Fire	6,900	104,357	87,441
Subdivision land and development	2,035	95,747	89,312
Waste management	76,050	82,867	75,678
Parks and recreation	63,195	70,994	118,686
Family and community support	32,053	50,498	32,602
Legislative	60,330	49,183	78,451
Culture: library and hall	44,552	41,350	48,497
Ambulance and first aid	7,403	17,149	6,872
Bylaw enforcement	16,560	11,399	27,381
Cemeteries	2,400	922	482
Disaster and emergency services	500	-	-
Amortization	-	689,962	672,427
	<u>2,189,440</u>	<u>3,046,813</u>	<u>2,954,675</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>291,123</u>	<u>(474,374)</u>	<u>(426,543)</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	603,700	549,633	282,975
Gain (loss) on disposal of tangible capital assets	-	1,534	(34,479)
	<u>603,700</u>	<u>551,167</u>	<u>248,496</u>
ANNUAL SURPLUS (DEFICIT)	<u>894,823</u>	<u>76,793</u>	<u>(178,047)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>17,646,037</u>	<u>17,646,037</u>	<u>17,824,084</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 7)	<u>\$ 18,540,860</u>	<u>\$ 17,722,830</u>	<u>\$ 17,646,037</u>

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

VILLAGE OF WABAMUN**Statement of Changes in Net Financial Assets****For the Year Ended December 31, 2020**

	2020 (Budget) (Note 16)	2020 (Actual)	2019 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ 894,823	\$ 76,793	\$ (178,047)
Acquisition of tangible capital assets	(871,400)	(586,074)	(379,833)
Amortization of tangible capital assets	-	689,962	672,427
Proceeds on disposal of tangible capital assets	-	11,276	85,201
Loss (gain) on sale of tangible capital assets	-	(1,534)	34,479
INCREASE IN NET FINANCIAL ASSETS	23,423	190,423	234,227
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,576,940	3,576,940	3,342,713
NET FINANCIAL ASSETS, END OF YEAR	\$ 3,600,363	\$ 3,767,363	\$ 3,576,940

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

VILLAGE OF WABAMUN
Statement of Cash Flows
For The Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 76,793	\$ (178,047)
Non-cash items not included in excess of revenue over expenses:		
Amortization	689,962	672,427
Loss (gain) on disposal of tangible capital assets	(1,534)	34,479
	<u>765,221</u>	<u>528,859</u>
Changes in non-cash working capital balances related to operations:		
Receivables	27,862	(436,093)
Land held for resale	78,436	45,179
Accounts payable and accrued liabilities	16,396	(428,447)
Deferred revenue	(167,066)	17,439
Deposit liabilities	(1,000)	(3,080)
	<u>(45,372)</u>	<u>(805,002)</u>
Cash flow from (used by) operating activities	<u>719,849</u>	<u>(276,143)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(586,074)	(379,833)
Proceeds on sale of tangible capital assets	11,276	85,201
Cash flow used by capital activities	<u>(574,798)</u>	<u>(294,632)</u>
FINANCING ACTIVITIES		
Purchase of investments	(1,691)	(1,956)
INCREASE (DECREASE) IN CASH FLOW	143,360	(572,731)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	783,726	1,356,457
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 927,086	\$ 783,726

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

VILLAGE OF WABAMUN**Schedule of Equity in Tangible Capital Assets****(Schedule 1)****For the Year Ended December 31, 2020**

	2020	2019
BALANCE, BEGINNING OF YEAR	\$ 14,069,097	\$ 14,481,371
Acquisition of tangible capital assets	586,074	379,833
Amortization of tangible capital assets	(689,962)	(672,427)
Net book value of tangible capital assets disposed of	(9,742)	(119,680)
BALANCE, END OF YEAR	\$ 13,955,467	\$ 14,069,097
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 13,955,467	\$ 14,069,097

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VILLAGE OF WABAMUN**Schedule of Property Taxes****(Schedule 2)****For the Year Ended December 31, 2020**

	2020 (Budget) (Note 16)	2020 (Actual)	2019 (Actual)
TAXATION			
Real property taxes	\$ 905,427	\$ 914,693	\$ 914,246
Linear property taxes	160,321	160,321	162,810
	1,065,748	1,075,014	1,077,056
REQUISITIONS			
Alberta School Foundation Fund	248,792	245,638	248,801
Meridian Foundation	4,456	4,456	4,424
	253,248	250,094	253,225
NET MUNICIPAL PROPERTY TAXES	\$ 812,500	\$ 824,920	\$ 823,831

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

VILLAGE OF WABAMUN**Schedule of Government Transfers****(Schedule 3)****For the Year Ended December 31, 2020**

	2020 (Budget) (Note 16)	2020 (Actual)	2019 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 616,255	\$ 378,592	\$ 326,129
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	603,700	549,633	282,975
TOTAL GOVERNMENT TRANSFERS	<u>\$ 1,219,955</u>	<u>\$ 928,225</u>	<u>\$ 609,104</u>

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

VILLAGE OF WABAMUN
Schedule of Segmented Information
For the Year Ended December 31, 2020

(Schedule 4)

	General Administration	Transportation	Protective Services	Recreation & Culture	Environmental Services	All Other	Total
REVENUE							
Sales and user charges	\$ 1,485	\$ -	\$ 10,016	\$ 41,725	\$ 635,633	\$ 181,783	\$ 870,642
Taxation	129,130	438,215	90,588	58,502	-	108,485	824,920
Government transfers	91,441	84,377	-	5,000	49,616	148,158	378,592
Other	257,378	3,382	2,241	1,953	58,989	35,948	359,891
Franchise fees & concession contracts	72,949	-	-	-	-	-	72,949
Rentals	6,447	-	25,067	5,165	-	-	36,679
Penalties and costs on taxes	12,280	-	-	-	-	-	12,280
Interest	7,568	-	-	-	-	-	7,568
Licenses and permits	1,450	-	580	-	-	2,475	4,505
Fines	-	-	4,413	-	-	-	4,413
	580,128	525,974	132,905	112,345	744,238	476,849	2,572,439
EXPENSES							
Contracted services	350,867	132,991	55,574	38,558	324,133	229,555	1,131,678
Salaries, wages and benefits	162,379	235,191	-	14,683	40,565	56,093	508,911
Materials, goods, and supplies	25,802	59,979	63,463	27,295	31,944	32,566	241,049
Utilities and telephone	19,590	90,059	11,706	17,257	60,591	1,200	200,403
Purchases from other governments	-	-	-	-	180,243	-	180,243
Insurance	21,490	7,754	2,162	14,552	31,245	65	77,268
Transfers to local boards and agencies	-	-	-	-	-	17,299	17,299
	\$ 580,128	\$ 525,974	\$ 132,905	\$ 112,345	\$ 668,721	\$ 336,778	\$ 2,356,851
NET REVENUE (DEFICIT) BEFORE AMORTIZATION							
	-	-	-	-	75,517	140,071	215,588
Amortization	32,700	180,099	5,417	225,594	244,568	1,584	689,962
NET REVENUE (DEFICIT)	\$ (32,700)	\$ (180,099)	\$ (5,417)	\$ (225,594)	\$ (169,051)	\$ 138,487	\$ (474,374)

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

VILLAGE OF WABAMUN
Schedule of Segmented Information
For the Year Ended December 31, 2019
(Schedule 4)

	General Administration	Transportation	Protective Services	Recreation & Culture	Environmental Services	All Other	Total
REVENUE							
Sales and user charges	\$ 1,528	\$ -	\$ 7,841	\$ 31,444	\$ 723,030	\$ 179,852	\$ 943,695
Taxation	345,783	261,089	86,984	109,859	-	20,116	823,831
Government transfers	-	63,112	-	-	60,232	202,784	326,128
Other	4,772	223,401	-	1,392	15,777	19,502	264,844
Franchise fees & concession contracts	73,763	-	-	-	-	-	73,763
Rentals	5,651	-	23,100	24,489	-	-	53,240
Interest	20,547	-	-	-	-	-	20,547
Penalties and costs on taxes	12,340	-	-	-	-	-	12,340
Licenses and permits	4,325	-	885	-	-	1,650	6,860
Fines	-	-	2,884	-	-	-	2,884
	<u>468,709</u>	<u>547,602</u>	<u>121,694</u>	<u>167,184</u>	<u>799,039</u>	<u>423,904</u>	<u>2,528,132</u>
EXPENSES							
Contracted services	\$ 102,699	\$ 123,171	\$ 41,464	\$ 45,177	\$ 287,333	\$ 143,352	\$ 743,196
Salaries, wages and benefits	309,209	235,983	-	14,587	19,901	81,818	661,498
Materials, goods, and supplies	9,567	90,636	65,985	35,536	6,662	152,736	361,122
Utilities and telephone	19,989	90,817	12,058	41,281	59,926	1,200	225,271
Purchases from other governments	-	-	-	-	181,788	-	181,788
Insurance	22,834	6,995	2,187	30,603	31,248	65	93,932
Transfers to local boards and agencies	4,411	-	-	-	-	11,030	15,441
	<u>468,709</u>	<u>547,602</u>	<u>121,694</u>	<u>167,184</u>	<u>586,858</u>	<u>390,201</u>	<u>2,282,248</u>
NET REVENUE (DEFICIT) BEFORE AMORTIZATION	-	-	-	-	212,181	33,703	245,884
Amortization	32,229	182,940	6,238	223,294	226,142	1,584	672,427
NET REVENUE (DEFICIT)	<u>\$ (32,229)</u>	<u>\$ (182,940)</u>	<u>\$ (6,238)</u>	<u>\$ (223,294)</u>	<u>\$ (13,961)</u>	<u>\$ 32,119</u>	<u>\$ (426,543)</u>

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

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Wabamun (the "Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Village are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Village and are, therefore, accountable to Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 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, the Town has met any eligibility criteria, and reasonable estimates of the amounts can be made.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses 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) Cash and Cash Equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of one year or less at acquisition.

(e) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. 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.

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VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tax Revenue

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from propriety owners for work performed by the Village and are recognized as revenue in the year the tax is levied.

(g) Land Held for Resale

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

(h) Inventory

Inventories are valued at the lower of cost and net realizable value with cost determined by the average cost method.

(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:

Land improvements	20 years
Building Fixed Assets	50 Years
Engineered structures	10 - 75 years
Vehicles	8 - 12 years
Machinery and equipment	5 - 20 years
Engineered structures	

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

Works of art for display are not recorded as tangible capital assets but are disclosed.

(j) 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.

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VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

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

(k) 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.

(l) Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(m) Equity in Capital Assets

Equity in capital assets represents the Villages's net investment in its capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

(n) New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

2. CASH AND CASH EQUIVALENTS

	2020	2019
Operating account	\$ 922,978	\$ 783,962
Money market fund	20,951	20,804
	943,929	804,766
Less: cash held in trust (Note 11)	(16,843)	(21,040)
	\$ 927,086	\$ 783,726

3. INVESTMENTS

	2020	2019
Servus Credit Union common shares	\$ 57,440	\$ 55,749
Alberta Municipal Financial Corporation shares	10	10
	\$ 57,450	\$ 55,759

4. RECEIVABLES

	2020	2019
Trade and other	\$ 861,359	\$ 929,117
Taxes and grants in place of taxes	90,940	55,243
Utilities	62,856	79,420
Goods and Services Tax rebate	30,713	1,506
Local improvement taxes	28,217	36,661
	\$ 1,074,085	\$ 1,101,947

Local Improvement Taxes

- a) The Village passed Bylaw 05-2003 authorizing Council to provide for a local improvement to complete an extension of a sanitary sewer forcemain in the Westview Estates Subdivision. The total cost of the local improvement was \$130,000, is repayable in 20 annual instalments of \$10,878 including interest at a fixed rate of 5.50% per annum maturing September 2023.
- b) The Village passed Bylaw 01-2003 authorizing Council to provide for a local improvement to complete an extension of a sanitary sewer forcemain north of 52 Avenue in line with 47 Street to the south boundary of Lot 1, Block 11, Plan 022-5897. The total cost of the local improvement was \$25,000, is repayable in 20 annual instalments of \$2,092 including interest at a fixed rate of 5.50% per annum maturing September 2023.

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

5. DEFERRED REVENUE

	2019	Funds Received / Receivable	Funds Spent	2020
Coal Transition grant	\$ 189,714	\$ -	\$ (71,964)	\$ 117,750
Alberta Community Partnership grant	173,365	-	(94,552)	78,813
Other	800	-	(550)	250
	\$ 363,879	\$ -	\$ (167,066)	\$ 196,813

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VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

6. TANGIBLE CAPITAL ASSETS

	2020 Net Book Value	2019 Net Book Value
Engineered Structures		
Water systems	\$ 5,926,330	\$ 6,091,072
Roadway systems	2,574,592	2,819,268
Wastewater systems	2,089,044	1,694,106
Electrical systems	772,152	797,599
	11,362,118	11,402,045
Buildings	1,478,677	1,550,910
Machinery and equipment	519,416	493,112
Land	231,930	231,930
Land improvements	241,152	289,051
Vehicles	122,174	102,049
	\$ 13,955,467	\$ 14,069,097

	Cost Beginning of Year	Purchased Additions	Disposals	Transfers	Cost End of Year
Engineered Structures					
Roadway systems	\$ 9,261,443	\$ -	\$ -	\$ -	\$ 9,261,443
Water systems	8,331,962	-	-	-	8,331,962
Wastewater systems	3,161,865	471,912	-	-	3,633,777
Other	890,647	-	-	-	890,647
	21,645,917	471,912	-	-	22,117,829
Buildings	3,451,439	-	-	-	3,451,439
Machinery and equipment	1,533,658	83,564	48,507	-	1,568,715
Land	231,930	-	-	-	231,930
Land improvements	1,061,274	-	-	-	1,061,274
Vehicles	225,891	30,598	23,016	-	233,473
	\$ 28,150,109	\$ 586,074	\$ 71,523	\$ -	\$ 28,664,660

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered Structures					
Roadway systems	\$ 6,442,175	\$ 244,676	\$ -	\$ -	\$ 6,686,851
Water systems	2,240,890	164,742	-	-	2,405,632
Wastewater systems	1,467,759	76,974	-	-	1,544,733
Other	93,048	25,447	-	-	118,495
	10,243,872	511,839	-	-	10,755,711
Buildings	1,900,529	72,233	-	-	1,972,762
Land improvements	772,223	47,899	-	-	820,122
Vehicles	123,842	10,473	(23,016)	-	111,299
Machinery and equipment	1,040,546	47,518	(38,765)	-	1,049,299
	\$ 14,081,012	\$ 689,962	\$ (61,781)	\$ -	\$ 14,709,193

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

7. ACCUMULATED SURPLUS

	2020	2019
Unrestricted surplus	\$ 1,693,538	\$ 1,503,115
Restricted surplus		
Reserves	2,073,825	2,073,825
Equity in tangible capital assets (<i>Schedule 1</i>)	13,955,467	14,069,097
	\$ 17,722,830	\$ 17,646,037

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 Village of Wabamun be disclosed as follows:

	2020	2019
Total debt limit	\$ 3,858,659	\$ 3,792,198
Total debt	-	-
Total debt limit remaining	\$ 3,858,659	\$ 3,792,198
Service on debt limit	\$ 643,110	\$ 632,033
Service on debt	-	-
Total service on debt limit remaining	\$ 643,110	\$ 632,033

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

9. CREDIT FACILITY

The Village has a demand credit facility with its financial institution for a maximum amount of \$700,000 bearing interest at 2.20%. No amounts were drawn as at December 31, 2020 or 2019.

10. CONTINGENCIES

- a) The Village has been named as a defendant in a Statement of Claim for damages allegedly caused from diverting water onto the plaintiff's land. Currently the outcome of this matter is not determinable and a liability has not been recorded. The extent of the claim has not been disclosed as doing so could have an adverse effect on the outcome.
- b) The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Village could become liable for its proportionate shares 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.

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

11. FUNDS HELD IN TRUST

The Village administers the following trust funds on behalf of third parties. As related trust assets are not owned by the Village, the trusts have been excluded from the financial statements.

	2020	2019
Rescue Boat	\$ 10,731	\$ 10,731
Fire Department	6,113	6,113
Youth Council	-	3,133
Wabamun Medical Clinic Foundation	-	1,063
	\$ 16,844	\$ 21,040

12. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for Village officials, the Village Chief Administrator Officer and designated officers are required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits (2)	2020	2019
Mayor Smylie	\$ 9,725	\$ 327	\$ 10,052	\$ 14,614
Councillors				
Wiggins	5,175	88	5,263	10,358
Lindsay	4,913	74	4,987	330
Gallacher	4,850	71	4,921	8,007
Griffiths	4,775	67	4,842	7,534
Purdy	-	-	-	3,384
Miles	-	-	-	2,220
	\$ 29,438	\$ 627	\$ 30,065	\$ 46,447
Chief Administrative Officer	\$ 237,772	\$ -	\$ 237,772	\$ 152,187

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

(2) 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.

(3) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

13. LOCAL AUTHORITIES PENSION PLAN

Employees of the Village participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. The LAPP serves approximately 200,000 people and 418 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Village is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

Total current service contributions by the Village to the LAPP in 2020 were \$22,200 (2019 - \$39,139). Total current service contributions by the employees of the Village to the LAPP in 2019 were \$19,911 (2019 - \$35,379).

At December 31, 2019, the Plan disclosed an actuarial surplus of \$7.913 billion (2018 - \$3.469 billion).

14. FINANCIAL INSTRUMENTS

The Villages's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Village's credit risk.

15. SEGMENTED INFORMATION

The Village provides a range of services to its citizens. 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. For additional information see the Schedule of Segmented Disclosure (Schedule 4).

VILLAGE OF WABAMUN
Notes to Financial Statements
Year Ended December 31, 2020

16. BUDGET FIGURES

The 2019 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on June 18, 2019. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2020 Budget	2020 Actual
Annual surplus (deficit)	\$ 894,823	\$ 76,793
Amortization expense	-	689,962
Loss (gain) on disposal of tangible capital assets	-	(1,534)
Purchase of tangible capital assets	(871,400)	(586,074)
Net transfers (to) from reserves	(23,423)	-
	\$ -	\$ 179,147

17. UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused significant disruptions to businesses, governments, and other organizations resulting in an economic slow-down and increased volatility. Governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

While COVID-19 has not significantly impacted the Village's operations or financial condition to date, the rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may have a financial impact on the Village's activities, operations and financial condition in the future.

18. DISSOLUTION

On January 1, 2021, the Village was dissolved by an Order in Council of the Lieutenant Governor of the Province of Alberta. Effective on that date, the former area of the Village of Wabamun became part of Parkland County and is now designated as the Hamlet of Wabamun.

19. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
