

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2021

**Municipality Name:** Village of Hill Spring

**CERTIFICATION**

The information contained in this Financial Information Return is presented fairly to the best of my knowledge.



**Janet Edwards**  
Print Name

**April 19, 2022**  
Date

The number of potential errors on Page 13 of this form: 2



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council of the Village of Hill Spring

### **Opinion**

We have audited the municipal financial information return of the Village of Hill Spring (the Village) for the year ended December 31, 2021.

In our opinion, the accompanying financial information return present fairly, in all material respects, in accordance with the accounting principles described in the Municipal Information Return Manual prepared by Alberta Municipal Affairs.

It is understood that this report, as requested by the Minister of Alberta Municipal Affairs, is to be used primarily for statistical purposes. We have issued an audit report dated April 19, 2022 on the financial statements of the Village for the year ended December 31, 2021 and reference should be made to those audited financial statements for complete information.

### **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 *Auditor's Responsibilities for the Audit of the Financial Information Return* section of our report. We are independent of the Village in accordance with ethical requirements that are relevant to our audit of the financial information return 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.

### **Emphasis of Matter - Basis of Accounting and Restriction of Use**

We draw attention to the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, which describes the basis of accounting and the significant differences between such basis of accounting and the accounting principles. The financial information return is prepared to assist the Village to meet the requirements of the *Municipal Government Act (Section 277(1))*. As a result, the financial information return may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Financial Information Return**

Management is responsible for the preparation and fair presentation of the financial information return in accordance with Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, and for such internal control as management determines is necessary to enable the preparation of financial information return 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 related 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.

*(continues)*

### **Auditor's Responsibilities for the Audit of the Financial Information Return**

Our objectives are to obtain reasonable assurance about whether the financial information return as a whole is 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 this financial information return.

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 information return, 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 auditor's report 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 auditor's 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 information return, and whether the financial information return 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.

*Shawn Cook*  
*Professional Corporation*

Lethbridge, Alberta  
April 19, 2022

Chartered Professional Accountants



**FINANCIAL POSITION**

	<b>Total</b>
	1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 891,501
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current .....	0040 8,154
. Arrears .....	0050 4,365
. Allowance .....	0060
Receivable From Other Governments .....	0070 26,327
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 32,973
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land .....	0140 23,448
. Other .....	0150
Long Term Investments	0170
. Federal Government .....	0180
. Provincial Government .....	0190
. Local Governments .....	0200
. Other .....	0210
Other Current Assets .....	0230
Other Long Term Assets .....	0240
	0250
<b>Total Financial Assets</b>	0260 986,768
<b>Liabilities</b>	0270
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290
Accounts Payable & Accrued Liabilities .....	0300 38,247
Deposit Liabilities .....	0310
Deferred Revenue .....	0340 23,522
Long Term Debt .....	0350
Other Current Liabilities .....	0360
Asset Retirement Obligations.....	0365
Other Long Term Liabilities .....	0370
	0380
<b>Total Liabilities</b>	0390 61,769
	0395
<b>Net Financial Assets (Net Debt)</b>	0395 924,999
<b>Non Financial Assets</b>	0400
Tangible Capital Assets.....	0400 4,305,924
Inventory for Consumption.....	0410 10,303
Prepaid Expenses .....	0420
Other.....	0430
	0440
<b>Total Non-Financial Assets</b>	0440 4,316,227
	0450
<b>Accumulated Surplus</b>	0450 5,241,226

**CHANGE IN OPERATING ACCUMULATED SURPLUS**

**Schedule 9B**

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Operating Surplus - Beginning of Year	0500	219,719	623,511	3,940,363	4,783,593
Net Revenue (Expense) .....	0505	457,633			457,633
Funds Designated For Future Use.....	0511	-55,745	55,745		
Restricted Funds - Used for Operations.....	0512	12,630	-12,630		
Restricted Funds - Used for TCA.....	0513				
Current Year Funds Used for TCA .....	0514	-482,648		482,648	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517				
Annual Amortization Expense.....	0518	117,087		-117,087	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521				
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Operating Surplus - End of Year.....	0525	268,676	666,626	4,305,924	5,241,226

**FINANCIAL ACTIVITIES BY FUNCTION**

**Schedule 9C**

	Revenue		Expense
	1		2
<b>Total General</b>	0700 144,164		
<b>Function</b>	0710		1150
General Government	0720		1160
Council and Other Legislative .....	0730		1170 15,486
General Administration .....	0740 83,145		1180 115,824
Other General Government.....	0750		1190
Protective Services	0760		1200
Police .....	0770		1210 2,910
Fire .....	0780		1220 8,241
Disaster and Emergency Measures .....	0790		1230
Ambulance and First Aid .....	0800		1240
Bylaws Enforcement .....	0810		1250
Other Protective Services.....	0820 220		1260
Transportation	0830		1270
Common and Equipment Pool .....	0840 2,700		1280
Roads, Streets, Walks, Lighting .....	0850 47,032		1290 44,890
Airport .....	0860		1300
Public Transit .....	0870		1310
Storm Sewers and Drainage .....	0880		1320
Other Transportation .....	0890		1330
Environmental Use and Protection	0900		1340
Water Supply and Distribution .....	0910 512,097		1350 155,517
Wastewater Treatment and Disposal .....	0920 25,174		1360 29,213
Waste Management .....	0930 9,207		1370 7,367
Other Environmental Use and Protection .....	0940		1380
Public Health and Welfare	0950		1390
Family and Community Support .....	0960		1400
Day Care .....	0970		1410
Cemeteries and Crematoriums .....	0980 1,400		1420 2,875
Other Public Health and Welfare .....	0990		1430
Planning and Development	1000		1440
Land Use Planning, Zoning and Development .....	1010		1450 24,423
Economic/Agricultural Development .....	1020		1460
Subdivision Land and Development .....	1030		1470
Public Housing Operations .....	1040		1480
Land, Housing and Building Rentals .....	1050		1490
Other Planning and Development.....	1060 19,810		1500
Recreation and Culture	1070		1510
Recreation Boards .....	1080		1520
Parks and Recreation .....	1090		1530 19,555
Culture: Libraries, Museums, Halls .....	1100 2,745		1540
Convention Centres .....	1110		1550
Other Recreation and Culture.....	1120 2,700		1560
Other Utilities	1125		1565
Gas .....	1126		1566
Electric .....	1127 33,540		1567
Other .....	1130		1570
<b>Total Revenue/Expense</b>	1140 883,934		1580 426,301
<b>Net Revenue/Expense</b>			1590 457,633

**FINANCIAL ACTIVITIES BY TYPE / OBJECT**

		<b>Total</b>
		<b>1</b>
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (net municipal, excluding requisitions).....	1720	144,164
. Business .....	1730	
. Business Revitalization Zone .....	1740	
. Special .....	1750	
. Well Drilling .....	1760	
. Local Improvement .....	1770	
Sales To Other Governments .....	1790	
Sales and User Charges .....	1800	127,532
Penalties and Costs on Taxes .....	1810	4,719
Licenses and Permits .....	1820	
Fines .....	1830	
Franchise and Concession Contracts .....	1840	7,396
Returns on Investments (incl. Portfolio Investments) .....	1850	5,995
Rentals .....	1860	2,745
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets.....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	
Provincial Government Unconditional Transfers .....	1910	65,274
Provincial Government Conditional Transfers .....	1920	482,648
Local Government Transfers .....	1930	
Transfers From Local Boards and Agencies .....	1940	
Developer Agreements .....	1960	
Offsite Levies .....	1962	
Other Revenues .....	1970	43,461
<b>Total Revenue</b>	1980	<b>883,934</b>
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	72,192
Contracted and General Services .....	2010	181,940
Purchases from Other Governments .....	2020	
Materials, Goods, Supplies, and Utilities .....	2030	50,130
Provision For Allowances .....	2040	
Transfers to Other Governments .....	2050	
Transfers to Local Boards and Agencies .....	2060	3,886
Transfers to Individuals and Organizations .....	2070	
Bank Charges and Short Term Interest .....	2080	1,066
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	
Accretion of Asset Retirement Obligations.....	2105	
Amortization of Tangible Capital Assets .....	2110	117,087
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures .....	2130	
<b>Total Expenses</b>	2140	<b>426,301</b>
<b>Net Revenue (Expense)</b>	2150	<b>457,633</b>

**REMEASUREMENT GAINS AND LOSSES**

**Schedule 9Q**

Accumulated remeasurement gains (losses) at beginning of the year .....	2171	
Gains .....	2172	
Losses .....	2174	
Amounts reclassified to Statement of Operations .....	2176	
Net Remeasurement gains (losses) for the year .....	2178	
Accumulated remeasurement gains (losses) at end of year .....	2180	



REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative .....	2210				
General Administration .....	2220		55,114	2,059	
Other General Government.....	2230				
Protective Services	2240				
Police .....	2250				
Fire .....	2260				
Disaster and Emergency Measures .....	2270			368	
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290	220			
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool .....	2320		2,700	13,883	
Roads, Streets, Walks, Lighting .....	2330		47,032	11,260	
Airport .....	2340				
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360				
Other Transportation .....	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution .....	2390	90,221	421,876	58,782	
Wastewater Treatment and Disposal .....	2400	25,174		19,409	
Waste Management .....	2410	9,207			
Other Environmental Use and Protection .....	2420				
Public Health and Welfare	2430				
Family and Community Support .....	2440				
Day Care .....	2450				
Cemeteries and Crematoriums .....	2460				
Other Public Health and Welfare .....	2470		18,500		
Planning and Development	2480				
Land Use Planning, Zoning and Development .....	2490				
Economic/Agricultural Development .....	2500				
Subdivision Land and Development .....	2510				
Public Housing Operations .....	2520				
Land, Housing and Building Rentals .....	2530				
Other Planning and Development.....	2540	1,310			
Recreation and Culture	2550				
Recreation Boards .....	2560				
Parks and Recreation .....	2570				
Culture: Libraries, Museums, Halls .....	2580			11,326	
Convention Centres .....	2590				
Other Recreation and Culture.....	2600	1,400	2,700		
Other Utilities	2605				
Gas .....	2606				
Electric .....	2607				
Other .....	2610				
<b>Total</b>	2620	127,532.00	547,922.00	117,087.00	

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative .....	2710				
General Administration .....	2720	13,740			
Other General Government.....	2730				
Protective Services	2740				
Police .....	2750				
Fire .....	2760				
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool .....	2820				
Roads, Streets, Walks, Lighting .....	2830	47,031			
Airport .....	2840				
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860				
Other Transportation .....	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution .....	2890	421,877			
Wastewater Treatment and Disposal .....	2900				
Waste Management .....	2910				
Other Environmental Use and Protection .....	2920				
Public Health and Welfare	2930				
Family and Community Support .....	2940				
Day Care .....	2950				
Cemeteries and Crematoriums .....	2960				
Other Public Health and Welfare .....	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development .....	2990				
Economic/Agricultural Development .....	3000				
Subdivision Land and Development .....	3010				
Public Housing Operations .....	3020				
Land, Housing and Building Rentals .....	3030				
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards .....	3060				
Parks and Recreation .....	3070				
Culture: Libraries, Museums, Halls .....	3080				
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas .....	3106				
Electric .....	3107				
Other .....	3110				
<b>Total</b>	<b>3120</b>	<b>482,648.00</b>			

**CHANGE IN TANGIBLE CAPITAL ASSETS**

**Schedule 9G**

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures	3200				
Roadway Systems.....	3201	413,922	47,031		460,953
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	2,538,437	421,877		2,960,314
Wastewater Systems.....	3204	1,316,422			1,316,422
Storm Systems.....	3205	147,134			147,134
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures .....	3210	4,415,915	468,908		4,884,823
Construction In Progress.....	3219				
Buildings .....	3220	555,868	13,740		569,608
Machinery and Equipment .....	3230	416,053			416,053
Land .....	3240	40,590			40,590
Land Improvements.....	3245	61,905			61,905
Vehicles .....	3250	8,260			8,260
<b>Total Capital Property Cost</b>	3260	5,498,591.00	482,648.00		5,981,239.00
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271	258,587	11,261		269,848
Light Rail Transit Systems	3272				
Water Systems	3273	548,166	58,511		606,677
Wastewater Systems	3274	453,925	18,801		472,726
Storm Systems	3275	17,876			17,876
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures .....	3280	1,278,554	88,573		1,367,127
Buildings .....	3290	138,262	10,683		148,945
Machinery and Equipment .....	3300	114,581	14,736		129,317
Land .....	3310				
Land Improvements.....	3315	18,571	3,095		21,666
Vehicles .....	3320	8,260			8,260
<b>Total Accumulated Amortization</b>	3330	1,558,228.00	117,087.00		1,675,315.00
<b>Net Book Value of Capital Property</b>	3340	3,940,363			4,305,924
<b>Capital Long Term Debt (Net)</b>	3350				
<b>Equity in Tangible Capital Assets</b>	3400	3,940,363.00			4,305,924.00

**LONG TERM DEBT SUPPORT**

**Schedule 9H**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Long Term Debt Support</b>	3405			
Supported by General Tax Levies .....	3410			
Supported by Special Levies .....	3420			
Supported by Utility Rates .....	3430			
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	3450			

**LONG TERM DEBT SOURCES**

**Schedule 9I**

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority .....	3500			
Canada Mortgage and Housing Corporation .....	3520			
Mortgage Borrowing .....	3600			
Other .....	3610			
<b>Total Long Term Debt Principal Balance</b>	3620			

**FUTURE LONG TERM DEBT REPAYMENTS**

**Schedule 9J**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Principal Repayments by Year</b>	3700			
Current + 1 .....	3710			
Current + 2 .....	3720			
Current + 3 .....	3730			
Current + 4 .....	3740			
Current + 5 .....	3750			
Thereafter .....	3760			
<b>Total Principal</b>	3770			
<b>Interest by Year</b>	3780			
Current + 1 .....	3790			
Current + 2 .....	3800			
Current + 3 .....	3810			
Current + 4 .....	3820			
Current + 5 .....	3830			
Thereafter .....	3840			
<b>Total Interest</b>	3850			

**PROPERTY TAXES AND GRANTS IN PLACE**

**Schedule 9K**

		<b>Property Taxes 1</b>	<b>Grants - in Place 2</b>	<b>Total 3</b>
Municipal Property Taxes	3900			
Residential Land and Improvements .....				
Total	3910	134,790		134,790
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	2,292		2,292
Machinery and Equipment .....	3950			
Linear Property .....	3960	7,082		7,082
Small Business Tax .....	3965			
Farm Land .....	3980			
Adjustments to Property Taxes .....	3990			
Total Municipal Property Taxes and Grants In Place	4000	144,164		144,164
Provincial and Seniors Foundation Requisitions			4010	
Education				
Residential/Farm Land .....			4031	36,785
Non-Residential .....			4035	2,254
Seniors Lodges .....			4090	3,091
Designated Industrial Property .....			4099	
Other .....			4100	
Adjustments to Requisition Transfers .....			4110	
Total Requisition Transfers			4120	42,130

**GRANTS IN PLACE OF TAXES**

**Schedule 9L**

		<b>Property Taxes 1</b>	<b>Business Taxes 2</b>	<b>Other Taxes 3</b>	<b>Total 4</b>
Federal Government .....	4200				
Provincial Government .....	4210				
Local Government .....	4220				
Other .....	4230				
Total	4240				

**DEBT LIMIT**

**Schedule 9AA**

Debt Limit .....	5700	601,929
Total Debt .....	5710	
Debt Service Limit .....	5720	100,322
Total Debt Service Costs .....	5730	

Enter prior year Line 3450 Column 2 balance here:

**GRANT AND DEFERRED GRANT REVENUE SCHEDULE**

**Schedule 9P**

**Cash and Temporary Investments**

8820	891,501
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**Restricted Cash by Grant**

Municipal Sustainability Initiative Capital	8825	20,554
Municipal Sustainability Initiative Operating	8826	
Federal Gas Tax Fund	8827	
Alberta Community Partnership- Intermunicipal Collaboration	8828	
Alberta Community Partnership- Municipal Restructuring	8829	
Alberta Community Partnership- Mediation and Cooperative Processes	8830	
Alberta Community Partnership- Municipal Internship	8831	
Alberta Community Partnership- Local Land Use Planning	8832	
Alberta Community Partnership- Strategic Initiative	8833	
Alberta Community Partnership- Regional Collaboration Program	8834	
Other Grants	8835	2,968

**Total Restricted Cash**

8865	23,522
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**Unrestricted Cash**

8870	867,979
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**Accounts Receivable - Grants**

8872	
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**Deferred Revenue**

8875	23,522
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**Deferred Revenue by Grant**

Municipal Sustainability Initiative Capital	8880	20,554
Municipal Sustainability Initiative Operating	8881	
Federal Gas Tax Fund	8882	
Alberta Community Partnership- Intermunicipal Collaboration	8883	
Alberta Community Partnership- Municipal Restructuring	8884	
Alberta Community Partnership- Mediation and Cooperative Processes	8885	
Alberta Community Partnership- Municipal Internship	8886	
Alberta Community Partnership- Local Land Use Planning	8887	
Alberta Community Partnership- Strategic Initiative	8888	
Alberta Community Partnership- Regional Collaboration Program	8889	
Other Grants	8890	2,968

**Total Deferred Revenue by Grant**

8898	23,522
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**Other Deferred Revenue**

8899	
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EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Please ensure the Machinery and Equipment taxes has been recorded under Line 3950  
Please ensure the Small Business tax has been recorded under Line 3965