

**Summer Village of  
Silver Beach  
Financial Statements**

**December 31, 2015**

## **Management's Responsibility**

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To the Mayor and Councillors of the Summer Village of Silver Beach:

The accompanying financial statements of the Summer Village of Silver Beach are the responsibility of management and have been approved by the Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of individuals who are neither management nor employees of the Summer Village. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for the appointment of the Summer Village's external auditors.

MNP LLP is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

April 18, 2016



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Chief Administrative Officer

## **Independent Auditors' Report**

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To the Mayor and Councillors of the Summer Village of Silver Beach:

We have audited the accompanying financial statements of the Summer Village of Silver Beach, which comprise the statement of financial position at December 31, 2015, the statements of operations, change in net financial assets, cash flows, and schedules I through VI for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Summer Village of Silver Beach as at December 31, 2015, and the results of its operations, change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

April 18, 2016  
Leduc, Alberta

*MNP LLP*  
Chartered Professional Accountants

**Summer Village of Silver Beach**  
**Statement of Financial Position**

*As at December 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Financial assets</b>		
Cash	813,000	488,541
Investments (Note 3)	5,184	5,000
Property taxes receivable (Note 4)	-	4,561
Trade and other accounts receivable	18,047	39,065
	<b>836,231</b>	<b>537,167</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	19,987	18,074
Deposit liabilities	10,000	5,000
Deferred revenue (Note 5)	549,167	276,470
Landfill closure and post-closure liability (Note 6)	60,507	60,507
	<b>639,661</b>	<b>360,051</b>
<b>Net financial assets</b>	<b>196,570</b>	<b>177,116</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule II)	1,392,375	1,347,174
Prepaid expenses	587	6,770
	<b>1,392,962</b>	<b>1,353,944</b>
<b>Accumulated surplus (Schedule I)</b>	<b>1,589,532</b>	<b>1,531,060</b>

Contingencies (Note 7)  
Commitments (Note 8)

Approved on behalf of Council:

  
\_\_\_\_\_ Mayor

  
\_\_\_\_\_ Councillor

**Summer Village of Silver Beach**  
**Statement of Operations**

*For the year ended December 31, 2015*

	<b>2015 Budget (Note 13)</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>			
Net municipal property taxes <i>(Schedule III)</i>	206,576	<b>206,571</b>	191,556
Sales, user charges and costs	16,775	<b>15,353</b>	84,280
Government transfers <i>(Schedule IV)</i>	8,166	<b>15,156</b>	-
Franchise fees	8,125	<b>10,648</b>	8,434
Penalties and costs on taxes	800	<b>3,270</b>	2,406
Other	2,379	<b>1,445</b>	1,165
Interest income	150	<b>603</b>	218
Licenses and permits	4,800	<b>120</b>	385
Fines	760	-	340
	<b>248,531</b>	<b>253,166</b>	288,784
<b>Expenses</b>			
Administrative	127,000	<b>132,654</b>	145,846
Protective services	37,485	<b>34,473</b>	121,604
Wastewater	27,426	<b>27,426</b>	34,825
Amortization	-	<b>26,820</b>	26,820
Waste management	20,150	<b>22,211</b>	19,992
Parks and recreation	10,390	<b>9,281</b>	10,100
Roads, streets, walks and lighting	7,300	<b>7,122</b>	12,366
Legislative	9,100	<b>6,925</b>	7,526
Planning and development	300	<b>283</b>	283
	<b>239,151</b>	<b>267,195</b>	379,362
<b>Excess (deficiency) of revenue over expenses before other</b>	9,380	<b>(14,029)</b>	(90,578)
<b>Other</b>			
Government transfers for capital <i>(Schedule IV)</i>	118,911	<b>72,501</b>	10,080
<b>Excess (deficiency) of revenue over expenses</b>	128,291	<b>58,472</b>	(80,498)
<b>Accumulated surplus, beginning of year</b>	1,531,060	<b>1,531,060</b>	1,611,558
<b>Accumulated surplus, end of year</b>	1,659,351	<b>1,589,532</b>	1,531,060

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

**Summer Village of Silver Beach**  
**Statement of Change in Net Financial Assets**

*For the year ended December 31, 2015*

	<b>2015 Budget (Note 13)</b>	<b>2015</b>	<b>2014</b>
<b>Excess (deficiency) of revenue over expenses</b>	128,291	<b>58,472</b>	(80,498)
Acquisition of tangible capital assets	(118,911)	<b>(72,021)</b>	(4,800)
Amortization of tangible capital assets	-	<b>26,820</b>	26,820
Use (acquisition) of prepaid assets	-	<b>6,183</b>	(6,169)
<b>Increase (decrease) in net financial assets</b>	9,380	<b>19,454</b>	(64,647)
<b>Net financial assets, beginning of year</b>	177,116	<b>177,116</b>	241,763
<b>Net financial assets, end of year</b>	186,496	<b>196,570</b>	177,116

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

**Summer Village of Silver Beach**  
**Statement of Cash Flows**  
*For the year ended December 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Cash provided by (used for) the following activities:</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	58,472	(80,498)
Non-cash items:		
Amortization of tangible capital assets	26,820	26,820
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	272,697	(11,919)
Decrease (increase) in prepaid expenses	6,183	(6,169)
Decrease in accounts payable and accrued liabilities	(6,118)	(13,663)
Decrease in trade and other accounts receivable	21,018	32,166
Decrease (increase) in property taxes receivable	4,561	(1,980)
Increase (decrease) in deposit liabilities	5,000	(2,760)
	<b>388,633</b>	<b>(58,003)</b>
<b>Capital</b>		
Acquisition of tangible capital assets <i>(Schedule II)</i>	(63,990)	(4,800)
<b>Investing</b>		
Increase in investments	(184)	-
<b>Increase (decrease) in cash</b>	<b>324,459</b>	<b>(62,803)</b>
<b>Cash, beginning of year</b>	<b>488,541</b>	<b>551,344</b>
<b>Cash, end of year</b>	<b>813,000</b>	<b>488,541</b>

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

**Summer Village of Silver Beach**  
**Schedule I - Schedule of Changes in Accumulated Surplus**

*For the year ended December 31, 2015*

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets (Note 9)</i>	<i>2015</i>	<i>2014</i>
<b>Balance, beginning of year</b>	<b>152,859</b>	<b>31,027</b>	<b>1,347,174</b>	<b>1,531,060</b>	1,611,558
Excess (deficiency) of revenue over expenses	58,472	-	-	58,472	(80,498)
Current year funds used for tangible capital assets	(72,021)	-	72,021	-	-
Annual amortization expense	26,820	-	(26,820)	-	-
<b>Change in accumulated surplus</b>	<b>13,271</b>	<b>-</b>	<b>45,201</b>	<b>58,472</b>	<b>(80,498)</b>
<b>Balance, end of year</b>	<b>166,130</b>	<b>31,027</b>	<b>1,392,375</b>	<b>1,589,532</b>	1,531,060

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



**Summer Village of Silver Beach**  
**Schedule II - Schedule of Tangible Capital Assets**  
*For the year ended December 31, 2015*

	<i>Land</i>	<i>Land Improvements</i>	<i>Buildings</i>	<i>Engineered Structures</i>	<i>Machinery &amp; Equipment</i>	<i>Vehicles</i>	<i>Construction in Progress</i>	<i>2015</i>	<i>2014</i>
<b>Cost:</b>									
Balance, beginning of year	1,025,380	27,150	8,500	596,871	32,830	52,992	235,734	1,979,457	1,974,657
Acquisition of tangible capital assets	-	-	-	-	11,770	-	60,251	72,021	4,800
Balance, end of year	1,025,380	27,150	8,500	596,871	44,600	52,992	295,985	2,051,478	1,979,457
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	20,961	5,270	557,125	12,172	36,755	-	632,283	605,463
Annual amortization	-	1,719	340	11,356	6,566	6,839	-	26,820	26,820
Balance, end of year	-	22,680	5,610	568,481	18,738	43,594	-	659,103	632,283
<b>Net book value</b>	<b>1,025,380</b>	<b>4,470</b>	<b>2,890</b>	<b>28,390</b>	<b>25,862</b>	<b>9,398</b>	<b>295,985</b>	<b>1,392,375</b>	<b>1,347,174</b>
2014 net book value	1,025,380	6,189	3,230	39,746	20,658	16,237	235,734	1,347,174	

During the year, tangible capital assets were acquired at an aggregate cost of \$72,021 (2014 - \$4,800), of which \$8,031 (2014 - \$0) was in accounts payable and accrued liabilities at year end, the remaining \$63,990 (2014 - \$4,800) was acquired by cash.

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

**Summer Village of Silver Beach**  
**Schedule III - Schedule of Property Taxes Levied**

*For the year ended December 31, 2015*

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	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
<b>Taxation</b>			
Real property taxes	205,790	<b>205,787</b>	189,957
Requisitions	191,240	<b>191,238</b>	217,721
Linear property taxes	786	<b>786</b>	786
	<hr/> 397,816	<hr/> <b>397,811</b>	<hr/> 408,464
<b>Requisitions</b>			
Alberta School Foundation Fund	191,240	<b>191,240</b>	216,908
	<hr/> 206,576	<hr/> <b>206,571</b>	<hr/> 191,556
<b>Net municipal property taxes</b>			

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

**Summer Village of Silver Beach**  
**Schedule IV - Schedule of Government Transfers**  
*For the year ended December 31, 2015*

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	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
<b>Operating</b>			
Provincial	8,166	<b>15,156</b>	-
<b>Capital</b>			
Provincial	118,911	<b>72,501</b>	10,080
<b>Total government transfers</b>	127,077	<b>87,657</b>	10,080

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

**Summer Village of Silver Beach**  
**Schedule V - Schedule of Expenses by Object**

*For the year ended December 31, 2015*

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	<i>2015</i>	<i>2015</i>	<i>2014</i>
	<b><i>Budget</i></b>		
<b>Expenses by object</b>			
Contracted and general services	199,511	<b>206,274</b>	227,611
Amortization of tangible capital assets	-	<b>26,820</b>	26,820
Salaries, wages and benefits	30,590	<b>21,769</b>	97,810
Materials and goods	8,800	<b>11,399</b>	26,276
Bank charges and short-term interest	250	<b>933</b>	845
	<hr/>		
	239,151	<b>267,195</b>	379,362
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*The accompanying notes are an integral part of these financial statements*

**Summer Village of Silver Beach**  
**Schedule VI - Schedule of Segmented Disclosure**

*For the year ended December 31, 2015*

	General Government	Administration	Legislative	Environmental services	Protective services	Roads, streets, walks & lighting	Parks and recreation	Planning & development	Total
<b>Revenue</b>									
Net municipal property taxes	206,571	-	-	-	-	-	-	-	206,571
Government transfers	-	21,926	-	-	57,451	8,280	-	-	87,657
Sales, user charges, and costs	-	210	-	-	14,492	-	-	651	15,353
Franchise fees	10,648	-	-	-	-	-	-	-	10,648
Penalties and costs on taxes	3,270	-	-	-	-	-	-	-	3,270
Other	-	1,445	-	-	-	-	-	-	1,445
Interest income	-	603	-	-	-	-	-	-	603
Licenses and permits	-	-	-	-	-	-	-	120	120
	<b>220,489</b>	<b>24,184</b>	<b>-</b>	<b>-</b>	<b>71,943</b>	<b>8,280</b>	<b>-</b>	<b>771</b>	<b>325,667</b>
<b>Expenses</b>									
Contracted and general services	-	127,164	1,814	49,637	17,653	3,200	6,523	283	206,274
Salaries, wages and benefits	-	-	5,111	-	14,924	-	1,734	-	21,769
Materials and goods	-	4,557	-	-	1,896	3,922	1,024	-	11,399
Bank charges and short-term interest	-	933	-	-	-	-	-	-	933
	<b>-</b>	<b>132,654</b>	<b>6,925</b>	<b>49,637</b>	<b>34,473</b>	<b>7,122</b>	<b>9,281</b>	<b>283</b>	<b>240,375</b>
<b>Net revenue (expense), before amortization</b>	<b>220,489</b>	<b>(108,470)</b>	<b>(6,925)</b>	<b>(49,637)</b>	<b>37,470</b>	<b>1,158</b>	<b>(9,281)</b>	<b>488</b>	<b>85,292</b>
Amortization of tangible capital assets	-	5,606	-	-	3,079	15,491	2,644	-	26,820
<b>Net revenue (expense)</b>	<b>220,489</b>	<b>(114,076)</b>	<b>(6,925)</b>	<b>(49,637)</b>	<b>34,391</b>	<b>(14,333)</b>	<b>(11,925)</b>	<b>488</b>	<b>58,472</b>

## **1. Significant accounting policies**

The financial statements of the Summer Village of Silver Beach (the "Summer Village") are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of CPA Canada. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

### ***Reporting entity***

The financial statements reflect the assets, liabilities, revenue, expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations.

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

The financial statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

### ***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 receipt of goods or services and/or the legal obligation to pay.

### ***Management uncertainty (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 year. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Trade and other accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Landfill closure and post-closure liability is based on engineer's estimates of costs to close the landfill.

### ***Investments***

Investment premiums and discounts are amortized 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.

### ***Liability for contaminated sites***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Summer Village is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2015.

**1. Significant accounting policies** *(continued)*

***Liability for contaminated sites*** *(continued)*

At each financial reporting date, the Summer Village reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Summer Village continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

***Revenue recognition***

**i. 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.

The Summer Village recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Summer Village recognizes revenue as the liability is settled.

**ii. Tax revenue**

The Summer Village recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Summer Village evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

**iii. Other revenue**

Other sources of revenue are recorded when received or receivable.

***Landfill closure and post-closure liability***

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the Summer Village is required to fund the closure and post-closure of its landfill site. Closure activities include the final soil cover and landscaping and post-closure activities include surface and ground water monitoring, leachate control and visual inspection.

***Non-financial assets***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

**1. Significant accounting policies** *(continued)*

***Non-financial assets*** *(continued)*

**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:

	<u>Rate</u>
Land improvements	15-20 years
Buildings	25 years
Engineered structures	10-40 years
Machinery and equipment	5 years
Vehicles	5-10 years

Amortization is not charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

**ii. Contributions of tangible capital assets**

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

**iii. Prepaid expenses**

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

***Segments***

The Summer Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Summer Village's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

***Recent accounting pronouncements***

**i. Financial instruments**

In June 2011, the PSAB issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections.

PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted. The Summer Village does not expect the adoption of the new section to have a material impact on its financial statements.



**Summer Village of Silver Beach**  
**Notes to the Financial Statements**

*For the year ended December 31, 2015*

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**1. Significant accounting policies (continued)**

***Recent accounting pronouncements (continued)***

**ii. Portfolio investments**

In March 2012, as a result of the issuance of PS 3450 *Financial Instruments*, the PSAB issued new PS 3041 *Portfolio Investments*, which revises and replaces PS 3030 *Temporary Investments* and PS 3040 *Portfolio Investments*.

This section is effective in the same period PS 1201 *Financial Statement Presentation* and PS 3450 are adopted. PS 1201 and PS 3450 are to be adopted together and are effective for fiscal years beginning on or after April 1, 2019. Early adoption is permitted. The Summer Village does not expect the adoption of the new section to have a material impact on its financial statements.

**iii. Financial statement presentation**

In June 2011, as a result of the issuance of PS 3450 *Financial Instruments*, the PSAB issued new PS 1201 *Financial Statement Presentation*, which revises and replaces PS 1200 *Financial Statement Presentation*.

This Section is effective for governments in the same period PS 3450 is adopted. PS 1201 and PS 3450 are to be adopted together and are effective for fiscal years beginning on or after April 1, 2019. Early adoption is permitted. The Summer Village does not expect the adoption of the new section to have a material impact on its financial statements.

**2. Change in accounting policy**

Effective January 1, 2015, the Summer Village adopted the recommendations relating to PS 3260, *Liability for Contaminated Sites*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for liability for contaminated sites. Under the new recommendations, the Summer Village is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 1, *significant accounting policies*.

There was no effect on the Summer Village's financial statements of adopting the above-noted change in accounting policy.

**3. Investments**

The Summer Village placed \$5,000 in trust as security for its obligations under an agreement with the County of Wetaskiwin dated August 1978. Under this agreement, the Summer Village was to complete local improvements for a planned subdivision, however, the development never commenced and the funds are being held in a guaranteed investment certificate until the work is done or the conditions of the agreement are lifted. The income earned on the guaranteed investment certificate has been added to the principal of \$5,000.

**4. Property taxes receivable**

	<b>2015</b>	<b>2014</b>
Current taxes	-	4,561

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**Summer Village of Silver Beach**  
**Notes to the Financial Statements**

*For the year ended December 31, 2015*

**5. Deferred revenue**

	2015	2014
Municipal Sustainability Initiative capital grant	517,312	248,769
Basic Municipal Transportation capital grant	24,021	19,155
Prepaid taxes	7,834	8,546
	<b>549,167</b>	<b>276,470</b>

Included in the Summer Village's deferred revenue are government transfers that are restricted to eligible capital projects as approved under the funding agreements. Prepaid taxes includes municipal property taxes paid in advance.

**6. Landfill closure and post-closure liability**

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping. The estimated total liability is based on the cubic metres in place which is 2,770.

**7. 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.

**8. Commitments**

The Summer Village has entered into various service agreements with annual payments as follows:

2016	20,023
2017	11,123
2018	6,720

**9. Equity in tangible capital assets**

	2015	2014
Tangible capital assets ( <i>Schedule II</i> )	2,051,478	1,979,457
Accumulated amortization ( <i>Schedule II</i> )	<b>(659,103)</b>	<b>(632,283)</b>
	<b>1,392,375</b>	<b>1,347,174</b>

**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 Silver Beach be disclosed as follows:

	<b>2015</b>	<b>2014</b>
Total debt limit	<b>379,749</b>	433,176
Total debt	-	-
<hr/>		
Amount of debt limit unused	<b>379,749</b>	433,176
<hr/>		
Service on debt limit	<b>63,292</b>	72,196
Service on debt	-	-
<hr/>		
Amount of debt servicing limit unused	<b>63,292</b>	72,196

The debt limit is calculated at 1.5 times revenue of the Summer 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 limitations 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 financial stability of the Summer Village. Rather, the financial statements must be interpreted as a whole.

**11. Salary and 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:

	<b>2015</b>	<b>2014</b>
Mayor Watt	<b>2,250</b>	2,700
Councillor Martinson	<b>2,888</b>	2,850
Councillor Clough	-	-
Chief Administrative Officer	<b>45,000</b>	45,000

Salary and remuneration includes gross honoraria and any other direct cash remuneration.

The Summer Village CAO is paid as a contractor and therefore the above amount is included in contracted and general services.

**Summer Village of Silver Beach**  
**Notes to the Financial Statements**

*For the year ended December 31, 2015*

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**12. Segments**

The Summer Village provides a range of services to its ratepayers. For each reported segment, the revenue 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 VI - Schedule of Segmented Disclosure.

**13. Budget information**

The disclosed budget information has been approved by Council. The following is a reconciliation between the budget approved and that showing in the financial statements.

	<b><i>Budget</i></b>
	<b>2015</b>
Approved budgeted operating surplus	-
Operating transfer to reserve	9,380
<hr/>	
Excess of revenue over expenses ( <i>Statement of Operations</i> )	9,380
<hr/>	
Approved budgeted capital surplus	-
<hr/>	
Increase in net financial assets ( <i>Statement of Change in Net Financial Assets</i> )	9,380
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