

**Summer Village of  
Sundance Beach  
Financial Statements**

**December 31, 2016**



# SUMMER VILLAGE OF SUNDANCE BEACH

P.O. Box 658  
Thorsby, Alberta, Canada T0C 2P0  
780-985-2441

## Management's Responsibility

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

The accompanying financial statements of the Summer Village of Sundance 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 20, 2017

Chief Administrative Officer

## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the Summer Village of Sundance Beach, which comprise the statement of financial position as at December 31, 2016, 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 Sundance Beach as at December 31, 2016, 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 20, 2017  
Leduc, Alberta

*MNP LLP*  
Chartered Professional Accountants

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


*As at December 31, 2016*


	<b>2016</b>	<b>2015</b>
<b>Financial assets</b>		
Cash	293,070	184,063
Investments (Note 2)	97,289	95,802
Property taxes receivable (Note 3)	-	4,155
Trade and other accounts receivable	12,157	19,145
	<b>402,516</b>	<b>303,165</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	34,080	12,486
Deferred revenue (Note 4)	216,936	150,340
	<b>251,016</b>	<b>162,826</b>
<b>Net financial assets</b>	<b>151,500</b>	<b>140,339</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule II)	1,773,481	1,805,644
Prepaid expenses	4,043	10,751
	<b>1,777,524</b>	<b>1,816,395</b>
<b>Accumulated surplus (Schedule I)</b>	<b>1,929,024</b>	<b>1,956,734</b>

Contingencies (Note 8)

Commitments (Note 9)

Approved on behalf of Council:

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Councillor

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

**Summer Village of Sundance Beach**  
**Statement of Operations**

*For the year ended December 31, 2016*

	<b>2016 Budget (Note 13)</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>			
Net municipal property taxes <i>(Schedule III)</i>	181,046	<b>181,042</b>	179,550
Rental	12,200	<b>12,550</b>	12,050
Government transfers <i>(Schedule IV)</i>	7,904	<b>7,904</b>	17,348
Sales, user charges and costs recovered	6,770	<b>6,411</b>	27,580
Penalties and costs on taxes	800	<b>1,928</b>	486
Gain on disposal of assets	-	<b>1,785</b>	-
Interest income	400	<b>1,714</b>	1,744
Fines	1,200	<b>210</b>	-
	210,320	<b>213,544</b>	238,758
<b>Expenses</b>			
Administrative	111,280	<b>129,274</b>	120,228
Amortization	-	<b>53,035</b>	54,891
Waste management	24,000	<b>25,839</b>	23,304
Protective services	25,400	<b>23,455</b>	25,347
Legislative	16,750	<b>16,484</b>	13,827
Recreation and culture	20,390	<b>16,452</b>	19,403
Transportation services	11,800	<b>8,279</b>	11,341
Sewer	-	<b>1,261</b>	16,120
Planning and development	700	<b>672</b>	331
	210,320	<b>274,751</b>	284,792
<b>Deficiency of revenue over expenses before other</b>	-	<b>(61,207)</b>	(46,034)
<b>Other</b>			
Government transfers for capital <i>(Schedule IV)</i>	108,515	<b>33,498</b>	21,479
<b>Excess (deficiency) of revenue over expenses</b>	108,515	<b>(27,709)</b>	(24,555)
<b>Accumulated surplus, beginning of year</b>	1,956,734	<b>1,956,734</b>	1,981,289
<b>Accumulated surplus, end of year</b>	2,065,249	<b>1,929,025</b>	1,956,734

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

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

*For the year ended December 31, 2016*

	<b>2016 Budget (Note 13)</b>	<b>2016</b>	<b>2015</b>
<b>Excess (deficiency) of revenue over expenses</b>	108,515	<b>(27,709)</b>	(24,555)
Acquisition of tangible capital assets	(108,515)	<b>(33,498)</b>	(19,399)
Proceeds on disposal of tangible capital assets	-	<b>5,951</b>	-
Amortization of tangible capital assets	-	<b>53,035</b>	54,891
Loss on sale of tangible capital assets	-	<b>6,675</b>	-
Use of prepaid assets	-	<b>6,708</b>	780
<b>Increase in net financial assets</b>	-	<b>11,162</b>	11,717
<b>Net financial assets, beginning of year</b>	140,339	<b>140,339</b>	128,622
<b>Net financial assets, end of year</b>	140,339	<b>151,501</b>	140,339

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

**Summer Village of Sundance Beach**  
**Statement of Cash Flows**

*For the year ended December 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Cash provided by (used for) the following activities:</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	(27,709)	(24,555)
Non-cash items:		
Amortization of tangible capital assets	53,035	54,891
Loss on disposal of tangible capital assets	6,675	-
Interest earned on investments	(1,487)	-
Net change in non-cash operating working capital balances:		
Increase in deferred revenue	66,596	71,272
Decrease in prepaid expenses	6,708	781
Increase (decrease) in accounts payable and accrued liabilities	10,286	(16,899)
Decrease in trade and other accounts receivable	6,988	47,461
Decrease (increase) in property taxes receivable	4,155	(2,495)
	<b>125,247</b>	<b>130,456</b>
<b>Capital</b>		
Proceeds on sale of tangible capital assets	5,951	-
Acquisition of tangible capital assets <i>(Schedule II)</i>	(22,190)	(19,399)
	<b>(16,239)</b>	<b>(19,399)</b>
<b>Investing</b>		
Increase in investments	-	(95,802)
	<b>109,008</b>	<b>15,255</b>
<b>Increase in cash and equivalents</b>	<b>109,008</b>	<b>15,255</b>
<b>Cash, beginning of year</b>	<b>184,063</b>	<b>168,808</b>
<b>Cash, end of year</b>	<b>293,071</b>	<b>184,063</b>

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

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

*For the year ended December 31, 2016*

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus (Note 11)</i>	<i>Equity in Tangible Capital Assets (Note 6)</i>	<b>2016</b>	<i>2015</i>
<b>Balance, beginning of year</b>	<b>(166,890)</b>	<b>317,980</b>	<b>1,805,644</b>	<b>1,956,734</b>	1,981,289
Deficiency of revenue over expenses	<b>(27,709)</b>	-	-	<b>(27,709)</b>	(24,555)
Current year funds used for tangible capital assets	<b>(33,498)</b>	-	<b>33,498</b>	-	-
Loss on disposal of tangible capital assets	<b>6,675</b>	-	<b>(6,675)</b>	-	-
Annual amortization expense	<b>53,035</b>	-	<b>(53,035)</b>	-	-
Proceeds on sale of tangible capital assets	<b>5,951</b>	-	<b>(5,951)</b>	-	-
<b>Change in accumulated surplus</b>	<b>4,454</b>	-	<b>(32,163)</b>	<b>(27,709)</b>	(24,555)
<b>Balance, end of year</b>	<b>(162,436)</b>	<b>317,980</b>	<b>1,773,481</b>	<b>1,929,025</b>	1,956,734

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



**Summer Village of Sundance Beach**  
**Schedule II - Schedule of Tangible Capital Assets**  
*For the year ended December 31, 2016*

	Land	Land Improvements	Buildings	Engineered structures	Machinery & equipment	Construction in progress	2016	2015
<b>Cost:</b>								
Balance, beginning of year	904,200	-	640,170	320,598	80,058	177,467	2,122,493	2,103,094
Acquisition of tangible capital assets	-	7,864	-	-	21,964	3,670	33,498	19,399
Construction in progress	-	157,214	-	10,022	-	(167,236)	-	-
Disposal of tangible capital assets	-	-	-	-	(27,103)	-	(27,103)	-
Balance, end of year	904,200	165,078	640,170	330,620	74,919	13,901	2,128,888	2,122,493
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	-	109,128	174,932	32,789	-	316,849	261,958
Annual amortization	-	-	37,931	6,590	8,514	-	53,035	54,891
Accumulated amortization on disposals	-	-	-	-	(14,477)	-	(14,477)	-
Balance, end of year	-	-	147,059	181,522	26,826	-	355,407	316,849
<b>Net book value</b>	<b>904,200</b>	<b>165,078</b>	<b>493,111</b>	<b>149,098</b>	<b>48,093</b>	<b>13,901</b>	<b>1,773,481</b>	<b>1,805,644</b>
2015 net book value	904,200	-	531,042	145,666	47,269	177,467	1,805,644	

During the year, tangible capital assets were acquired at an aggregate cost of \$33,498 (2015 - \$19,399), of which \$11,308 (2015 - \$nil) was in accounts payable and accrued liabilities at year end; the remaining \$22,190 was acquired by cash.

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

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

*For the year ended December 31, 2016*

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	<i>2016</i> <b>Budget</b>	<b>2016</b>	<i>2015</i>
<hr/>			
<b>Taxation</b>			
Real property taxes	180,758	<b>180,754</b>	179,262
Requisitions	146,637	<b>146,637</b>	151,753
Linear property taxes	288	<b>288</b>	288
	327,683	<b>327,679</b>	331,303
<hr/>			
<b>Requisitions</b>			
Education requisition	146,637	<b>146,637</b>	151,753
<b>Net municipal property taxes</b>	181,046	<b>181,042</b>	179,550

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

**Summer Village of Sundance Beach**  
**Schedule IV - Schedule of Government Transfers**

*For the year ended December 31, 2016*

	<b>2016 Budget</b>	<b>2016</b>	<b>2015</b>
<b>Operating</b>			
Provincial	7,904	<b>7,904</b>	17,348
<b>Capital</b>			
Provincial	99,216	<b>33,498</b>	21,479
Federal	9,299	-	-
	108,515	<b>33,498</b>	21,479
<b>Total government transfers</b>	<b>116,419</b>	<b>41,402</b>	38,827

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

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

*For the year ended December 31, 2016*

	<b>2016 Budget</b>	<b>2016</b>	<b>2015</b>
<b>Expenses by object</b>			
Contracted and general services	165,545	<b>167,511</b>	188,476
Amortization of tangible capital assets	-	<b>53,035</b>	54,891
Materials, goods and utilities	33,440	<b>33,680</b>	23,410
Salaries, wages and benefits	10,685	<b>10,037</b>	17,305
Loss on disposal of tangible capital assets	-	<b>8,460</b>	-
Provision for allowances	-	<b>1,663</b>	-
Bank charges and short-term interest	650	<b>366</b>	710
	210,320	<b>274,752</b>	284,792

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

**Summer Village of Sundance Beach**  
**Schedule VI - Schedule of Segmented Disclosure**  
*For the year ended December 31, 2016*

	Legislative	Administration	General	Protective	Transportation	Environmental	Planning and	Recreation	Total
				services	services	treatment	development	and culture	
<b>Revenue</b>									
Net municipal property taxes	-	181,042	-	-	-	-	-	-	181,042
Government transfers	-	29,869	7,863	-	3,670	-	-	-	41,402
Rental	-	12,000	-	-	-	-	-	550	12,550
Sales, user charges and costs recovered	-	4,455	-	-	-	-	719	1,237	6,411
Penalties and costs on taxes	-	1,928	-	-	-	-	-	-	1,928
Gain on sale of tangible capital assets	-	-	-	-	1,785	-	-	-	1,785
Interest income	-	1,714	-	-	-	-	-	-	1,714
Fines	-	110	100	-	-	-	-	-	210
	-	231,118	7,963	5,455	719	-	1,787	-	247,042
<b>Expenses</b>									
Contracted and general services	5,456	110,067	19,906	4,309	27,101	-	672	-	167,511
Materials, goods, and utilities	1,375	8,718	3,549	3,970	-	-	-	16,068	33,680
Salaries, wages, and benefits	9,653	-	-	-	-	-	-	384	10,037
Loss on disposal of tangible capital assets	-	8,460	-	-	-	-	-	-	8,460
Provision for allowances	-	1,663	-	-	-	-	-	-	1,663
Bank charges and short-term interest	-	366	-	-	-	-	-	-	366
	16,484	129,274	23,455	8,279	27,101	672	16,452	-	221,717
<b>Net revenue, before amortization</b>	(16,484)	101,844	(15,492)	(2,824)	(27,101)	47	(14,665)	-	25,325
Amortization of tangible capital assets	-	46,446	236	4,168	2,185	-	-	-	53,035
<b>Net revenue</b>	(16,484)	55,398	(15,728)	(6,992)	(29,286)	47	(14,665)	-	(27,710)

The accompanying notes are an integral part of these financial statements

# Summer Village of Sundance Beach Notes to the Financial Statements

For the year ended December 31, 2016

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## 1. Significant accounting policies

The financial statements of the Summer Village of Sundance Beach (the "Summer Village") are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board 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.

### ***Measurement 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.

### ***Investments***

Investments are recorded at cost. 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.

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

*For the year ended December 31, 2016*

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

***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, 2016.

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.

***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.

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

*For the year ended December 31, 2016*

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**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:

Land improvements	15-20 years
Buildings	10 years
Engineered structures	20-40 years
Machinery and equipment	3-20 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 Public Sector Accounting Board ("PSAB") issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, derecognition, presentation and disclosure of financial assets, financial liabilities including 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 Sundance Beach**  
**Notes to the Financial Statements**

*For the year ended December 31, 2016*

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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 a new PS 1201 *Financial Statement Presentation*, which revises and replaces the PS 1200 *Financial Statement Presentation*.

This Section is effective 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. Investments**

Investments have an effective interest rate of 0.91% (2015 - 1.4%) and mature in less than one year. The investment is comprised of funds that have been internally restricted in relation to the sewer levy reserve fund. Sewer levies were collected by the Summer Village from its ratepayers from 2007-2013 in order to create a reserve fund to be used solely to pay costs associated with the wastewater needs of the Summer Village and its ratepayers and for no other purpose. Adjustments have been made to the reserve fund in order to reflect wastewater costs incurred by the Summer Village. As at December 31, 2016, the reserve fund asset was \$97,289 (2015 - \$95,802).

**3. Property taxes receivable**

	<b>2016</b>	2015
Current taxes	-	3,220
Arrears taxes	-	935
	-	4,155

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

*For the year ended December 31, 2016*

**4. Deferred revenue**

	<b>2016</b>	2015
Municipal Sustainability Initiative capital grant	<b>216,057</b>	150,340
Prepaid taxes	<b>579</b>	-
Miscellaneous	<b>300</b>	-
	<b>216,936</b>	150,340

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

**5. 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 be disclosed as follows:

	<b>2016</b>	2015
Total debt limit	<b>320,316</b>	358,137
Total debt	-	-
	<b>320,316</b>	358,137
Amount of debt limit unused	<b>320,316</b>	358,137
Service on debt limit	<b>53,386</b>	59,690
Service on debt	-	-
	<b>53,386</b>	59,690

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.

**6. Equity in tangible capital assets**

	<b>2016</b>	2015
Tangible capital assets ( <i>Schedule II</i> )	<b>2,128,888</b>	2,122,493
Accumulated amortization ( <i>Schedule II</i> )	<b>(355,407)</b>	(316,849)
	<b>1,773,481</b>	1,805,644

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

*For the year ended December 31, 2016*

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**7. Salary and benefits disclosure**

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

	<b>2016</b>	2015
Mayor Pellatt	<b>3,000</b>	3,000
Councillor Waterhouse	<b>4,000</b>	4,400
Councillor Miller	<b>2,600</b>	2,400
Summer Village CAO	<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.

**8. 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.

**9. Commitments**

The Summer Village has entered into a fire service agreement with the following commitments over the next two years:

2017	8,359
2018	8,610

**10. 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.

**11. Restricted surplus**

The restricted surplus as at December 31, 2016 is comprised of a sewer levy reserve of \$95,802 (2015 - \$95,802) and other amounts restricted for future use of \$222,178 (2015 - \$222,178).

**12. Comparative figures**

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

**13. Budget information**

The disclosed budget information has been approved by Council.