

**Summer Village of
Silver Beach
Financial Statements**

December 31, 2018



SUMMER VILLAGE OF SILVER BEACH

RR #1 South, Site 1, Box 29

Thorsby, Alberta, Canada T0C 2P0

Phone 780-389-4409 Fax 780 401 3251

Management's Responsibility

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 15, 2019



Chief Administrative Officer

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Summer Village of Silver Beach (the "Summer Village"), which comprise the statement of financial position at December 31, 2018, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Summer Village of Silver Beach as at December 31, 2018, 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.

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 Statements section of our report. We are independent of the Summer Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Summer Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 Summer Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Summer Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Summer Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Leduc, Alberta

April 15, 2019

MNP LLP

Chartered Professional Accountants

Summer Village of Silver Beach
Statement of Financial Position

As at December 31, 2018

| | <i>2018</i> | <i>2017</i> |
|--|------------------|------------------|
| Financial assets | | |
| Cash (Note 3) | 233,393 | 454,492 |
| Investments (Note 4) | 305,924 | 5,334 |
| Property taxes receivable (Note 5) | 106 | 2,968 |
| Trade and other accounts receivable | 23,646 | 55,892 |
| | 563,069 | 518,686 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 14,137 | 38,570 |
| Deposit liabilities | 20,000 | 15,000 |
| Deferred revenue (Note 6) | 219,037 | 183,015 |
| Landfill closure and post-closure liability (Note 7) | 60,507 | 60,507 |
| | 313,681 | 297,092 |
| Net financial assets | 249,388 | 221,594 |
| Non-financial assets | | |
| Tangible capital assets (Schedule II) | 1,801,890 | 1,830,819 |
| Prepaid expenses | 200 | 587 |
| | 1,802,090 | 1,831,406 |
| Accumulated surplus (Schedule I) | 2,051,478 | 2,053,000 |

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 Silver Beach
Statement of Operations

For the year ended December 31, 2018

| | 2018 Budget (Note 14) | 2018 | 2017 |
|--|--------------------------------------|------------------|-------------|
| Revenue | | | |
| Net municipal property taxes <i>(Schedule III)</i> | 206,295 | 206,126 | 206,531 |
| Sales, user charges and costs | 30,788 | 35,739 | 30,991 |
| Government transfers <i>(Schedule IV)</i> | 23,801 | 10,407 | 6,359 |
| Franchise fees | 11,000 | 9,606 | 11,416 |
| Fines | 7,000 | 7,500 | 1,317 |
| Licenses and permits | 1,132 | 4,867 | 1,542 |
| Other | 1,136 | 1,679 | 4,448 |
| Interest income | 1,500 | 1,030 | 1,678 |
| Penalties and costs on taxes | 350 | 462 | 1,038 |
| | 283,002 | 277,416 | 265,320 |
| Expenses | | | |
| Administrative | 123,177 | 97,169 | 109,830 |
| Protective services | 69,900 | 77,712 | 66,725 |
| Wastewater | 30,235 | 29,635 | 31,303 |
| Amortization | - | 26,381 | 30,421 |
| Roads, streets, walks and lighting | 9,400 | 23,168 | 9,410 |
| Waste management | 15,500 | 17,617 | 17,968 |
| Parks and recreation | 10,825 | 10,031 | 10,507 |
| Legislative | 11,145 | 8,365 | 11,496 |
| Planning and development | 700 | 3,192 | 2,969 |
| | 270,882 | 293,270 | 290,629 |
| Excess (deficiency) of revenue over expenses before other | 12,120 | (15,854) | (25,309) |
| Other | | | |
| Government transfers for capital <i>(Schedule IV)</i> | 80,000 | 14,332 | 266,809 |
| Excess (deficiency) of revenue over expenses | 92,120 | (1,522) | 241,500 |
| Accumulated surplus, beginning of year | 2,053,000 | 2,053,000 | 1,811,500 |
| Accumulated surplus, end of year | 2,145,120 | 2,051,478 | 2,053,000 |

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, 2018

| | 2018 Budget (Note 14) | 2018 | 2017 |
|---|--------------------------------------|----------------|-------------|
| Excess (deficiency) of revenue over expenses | 92,120 | (1,522) | 241,500 |
| Acquisition of tangible capital assets | (80,000) | (2,330) | (271,231) |
| Amortization of tangible capital assets | - | 26,381 | 30,421 |
| Net book value of disposed tangible assets | - | 4,878 | - |
| Use of prepaid expenses | - | 387 | - |
| Increase in net financial assets | 12,120 | 27,794 | 690 |
| Net financial assets, beginning of year | 221,594 | 221,594 | 220,904 |
| Net financial assets, end of year | 233,714 | 249,388 | 221,594 |

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, 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| Cash provided by (used for) the following activities: | | |
| Operating | | |
| Excess (deficiency) of revenue over expenses | (1,522) | 241,500 |
| Non-cash items: | | |
| Amortization of tangible capital assets | 26,381 | 30,421 |
| Loss on disposal of tangible capital assets | 695 | - |
| Net change in non-cash operating working capital balances: | | |
| Increase (decrease) in deferred revenue | 36,022 | (195,322) |
| Decrease in prepaid expenses | 387 | - |
| Increase (decrease) in accounts payable and accrued liabilities | (15,830) | 9,339 |
| Decrease (increase) in trade and other accounts receivable | 32,246 | (18,228) |
| Decrease in property taxes receivable | 2,862 | 1,963 |
| Increase in deposit liabilities | 5,000 | 5,000 |
| | 86,241 | 74,673 |
| Capital | | |
| Proceeds on sale of tangible capital assets | 4,185 | - |
| Acquisition of tangible capital assets (<i>Schedule II</i>) | (10,935) | (271,828) |
| | (6,750) | (271,828) |
| Investing | | |
| Increase in investments | (300,590) | (150) |
| | (221,099) | (197,305) |
| Decrease in cash | (221,099) | (197,305) |
| Cash, beginning of year | 454,492 | 651,797 |
| Cash, end of year | 233,393 | 454,492 |

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, 2018

| | Unrestricted Surplus | Restricted Surplus | Equity in Tangible Capital Assets (Note 10) | 2018 | 2017 |
|---|-------------------------|-----------------------|---|-----------|-----------|
| Balance, beginning of year | 191,154 | 31,027 | 1,830,819 | 2,053,000 | 1,811,500 |
| Excess (deficiency) of revenue over expenses | (1,522) | - | - | (1,522) | 241,500 |
| Current year funds used for tangible capital assets | (2,330) | - | 2,330 | - | - |
| Annual amortization expense | 26,381 | - | (26,381) | - | - |
| Net book value of disposed tangible capital assets | 4,878 | - | (4,878) | - | - |
| Change in accumulated surplus | 27,407 | - | (28,929) | (1,522) | 241,500 |
| Balance, end of year | 218,561 | 31,027 | 1,801,890 | 2,051,478 | 2,053,000 |

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, 2018

| | Land | Land Improvements | Buildings | Engineered Structures | Machinery & Equipment | Vehicles | 2018 | 2017 |
|--|------------------|-------------------|--------------|-----------------------|-----------------------|----------|------------------|------------------|
| Cost: | | | | | | | | |
| Balance, beginning of year | 1,025,380 | 104,963 | 8,500 | 1,316,715 | 34,411 | 52,992 | 2,542,961 | 2,271,730 |
| Acquisition of tangible capital assets | - | - | - | - | 2,330 | - | 2,330 | 271,231 |
| Disposal of tangible capital assets | - | (16,200) | - | - | (5,000) | (52,992) | (74,192) | - |
| Balance, end of year | 1,025,380 | 88,763 | 8,500 | 1,316,715 | 31,741 | - | 2,471,099 | 2,542,961 |
| Accumulated amortization: | | | | | | | | |
| Balance, beginning of year | - | 33,034 | 6,290 | 607,098 | 14,606 | 51,114 | 712,142 | 681,721 |
| Annual amortization | - | 5,726 | 340 | 15,276 | 5,039 | - | 26,381 | 30,421 |
| Accumulated amortization on disposals | - | (16,200) | - | - | (2,000) | (51,114) | (69,314) | - |
| Balance, end of year | - | 22,560 | 6,630 | 622,374 | 17,645 | - | 669,209 | 712,142 |
| Net book value | 1,025,380 | 66,203 | 1,870 | 694,341 | 14,096 | - | 1,801,890 | 1,830,819 |
| 2017 net book value | 1,025,380 | 71,929 | 2,210 | 709,617 | 19,805 | 1,878 | 1,830,819 | |

During the year, tangible capital assets were acquired at an aggregate cost of \$2,330 (2017 - \$271,231), of which \$nil (2017 - \$8,605) was in accounts payable and accrued liabilities at year end; the remaining \$10,935 (2017 - \$271,828) 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, 2018

| | <i>2018 Budget</i> | <i>2018</i> | <i>2017</i> |
|-------------------------------------|------------------------|----------------|-------------|
| Taxation | | | |
| Real property taxes | 205,756 | 205,667 | 205,787 |
| Requisitions | 189,121 | 189,041 | 174,766 |
| Linear property taxes | 539 | 539 | 745 |
| | 395,416 | 395,247 | 381,298 |
| Requisitions | | | |
| Alberta School Foundation Fund | 189,121 | 189,121 | 174,767 |
| Net municipal property taxes | 206,295 | 206,126 | 206,531 |

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, 2018

| | <i>2018 Budget</i> | <i>2018</i> | <i>2017</i> |
|-----------------------------------|------------------------|---------------|-------------|
| Operating | | | |
| Provincial | 23,801 | 10,407 | 6,359 |
| Capital | | | |
| Provincial | 80,000 | 14,332 | 243,454 |
| Federal | - | - | 23,355 |
| | 80,000 | 14,332 | 266,809 |
| Total government transfers | 103,801 | 24,739 | 273,168 |

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, 2018

| | 2018 Budget (Note 14) | 2018 | 2017 |
|---|--------------------------------------|----------------|-------------|
| Expenses by object | | | |
| Contracted and general services | 215,772 | 203,374 | 207,544 |
| Salaries, wages and benefits | 40,910 | 49,227 | 38,484 |
| Amortization of tangible capital assets | - | 26,381 | 30,421 |
| Materials and goods | 13,500 | 12,637 | 13,536 |
| Bank charges and short-term interest | 700 | 956 | 644 |
| Loss on disposal of tangible capital assets | - | 695 | - |
| | <hr/> | <hr/> | <hr/> |
| | 270,882 | 293,270 | 290,629 |

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, 2018

| Revenue | General Government | Administration | Legislative | Environmental services | Protective services | Roads, streets, walks & lighting | Parks and recreation | Planning & development | Total |
|---|-----------------------|-----------------|----------------|---------------------------|------------------------|-------------------------------------|-------------------------|---------------------------|----------------|
| Net municipal property taxes | 206,126 | - | - | - | - | - | - | - | 206,126 |
| Sales, user charges, and costs | - | - | - | - | 34,418 | - | - | 1,321 | 35,739 |
| Government transfers | - | 10,407 | - | - | - | 14,332 | - | - | 24,739 |
| Franchise fees | 9,606 | - | - | - | - | - | - | - | 9,606 |
| Fines | - | - | - | - | 7,500 | - | - | - | 7,500 |
| Licenses and permits | - | - | - | - | - | - | - | 4,867 | 4,867 |
| Other | - | 1,679 | - | - | - | - | - | - | 1,679 |
| Interest income | - | 1,030 | - | - | - | - | - | - | 1,030 |
| Penalties and costs on taxes | 462 | - | - | - | - | - | - | - | 462 |
| | 216,194 | 13,116 | - | - | 41,918 | 14,332 | - | 6,188 | 291,748 |
| Expenses | | | | | | | | | |
| Contracted and general services | - | 95,618 | 4,148 | 47,253 | 24,894 | 19,299 | 8,970 | 3,192 | 203,374 |
| Salaries, wages and benefits | - | - | 4,217 | - | 44,432 | - | 578 | - | 49,227 |
| Materials and goods | - | 594 | - | - | 7,691 | 3,869 | 483 | - | 12,637 |
| Bank charges and short-term interest | - | 956 | - | - | - | - | - | - | 956 |
| Loss on disposal of tangible capital assets | - | - | - | - | 695 | - | - | - | 695 |
| | - | 97,168 | 8,365 | 47,253 | 77,712 | 23,168 | 10,031 | 3,192 | 266,889 |
| Net revenue, before amortization | 216,194 | (84,052) | (8,365) | (47,253) | (35,794) | (8,836) | (10,031) | 2,996 | 24,859 |
| Amortization of tangible capital assets | - | 1,354 | - | - | 884 | 15,377 | 8,766 | - | 26,381 |
| Net revenue | 216,194 | (85,406) | (8,365) | (47,253) | (36,678) | (24,213) | (18,797) | 2,996 | (1,522) |

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 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.

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. Landfill closure and post-closure liability is based on engineer's estimates of costs to close the landfill.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less.

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.

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, 2018.

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.

1. Significant accounting policies (continued)

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.

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 using the straight-line basis over the estimated useful life as follows:

| | |
|-------------------------|-------------|
| 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.

Summer Village of Silver Beach
Notes to the Financial Statements

For the year ended December 31, 2018

2. Change in accounting policies

Effective January 1, 2018 the Summer Village of Silver Beach adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 *Related Party Disclosures*
- PS 3210 *Assets*
- PS 3320 *Contingent Assets*
- PS 3380 *Contractual Rights*
- PS 3420 *Inter-entity Transactions*

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements of adopting the new Sections.

3. Cash

Of the total cash balance, \$218,013 (2017 - \$181,964) is reserved for unexpended expenses in future years.

4. Investments

Investments have an effective interest rate of 2.45% (2017 - 0.4%) and mature in less than one year. 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.

| | 2018 | 2017 |
|---|----------------|-------------|
| Unrestricted | 300,560 | - |
| Restricted for the County of Wetaskiwin | 5,364 | 5,334 |
| | 305,924 | 5,334 |

5. Property taxes receivable

| | 2018 | 2017 |
|---------------|-------------|-------------|
| Current taxes | 106 | 2,968 |

6. Deferred revenue

| | 2018 | 2017 |
|---|----------------|-------------|
| Municipal Sustainability Initiative capital grant | 174,396 | 136,741 |
| Provincial ACP grant | 24,769 | 26,375 |
| Basic Municipal Transportation capital grant | 18,848 | 18,848 |
| Prepaid taxes | 1,024 | 1,051 |
| | 219,037 | 183,015 |

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

Summer Village of Silver Beach
Notes to the Financial Statements
For the year ended December 31, 2018

7. 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.

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 various service agreements with annual payments as follows:

| | |
|------|--------|
| 2019 | 22,264 |
| 2020 | 22,402 |
| 2021 | 22,543 |
| 2022 | 9,551 |
| 2023 | 7,470 |

10. Equity in tangible capital assets

| | 2018 | 2017 |
|---|------------------|-----------|
| Tangible capital assets (<i>Schedule II</i>) | 2,471,099 | 2,542,961 |
| Accumulated amortization (<i>Schedule II</i>) | (669,209) | (712,142) |
| | 1,801,890 | 1,830,819 |

11. 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:

| | 2018 | 2017 |
|--|----------------|---------|
| Total debt limit | 416,124 | 397,980 |
| Total debt | - | - |
| Amount of debt limit unused | 416,124 | 397,980 |
| Service on debt limit | 69,354 | 66,330 |
| Service on debt | - | - |
| Amount of debt servicing limit unused | 69,354 | 66,330 |

Summer Village of Silver Beach
Notes to the Financial Statements

For the year ended December 31, 2018

11. Debt limits (continued)

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.

12. 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:

| | 2018 | 2017 |
|---------------------------------------|---------------|--------|
| Mayor Watt | 1,800 | 4,500 |
| Councillor Martinson | 2,400 | 2,850 |
| Councillor Rolf | - | - |
| Chief Administrative Officer Current | 45,500 | 13,875 |
| Chief Administrative Officer Previous | - | 33,750 |

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.

13. 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.

14. Budget information

The disclosed budget information has been approved by Council.