

**SUMMER VILLAGE OF SILVER SANDS**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2019**

**SUMMER VILLAGE OF SILVER SANDS**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management of the Summer Village of Silver Sands is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Summer Village's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Summer Village Council carries out its responsibilities for review of the consolidated financial statements principally through its Council meetings. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Summer Village Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Seniuk and Company, Chartered Professional Accountants, independent external auditors appointed by the Summer Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

The consolidated financial statements have been audited on behalf of the Members of Council by Seniuk and Company, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

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Ms. Wendy Wildman, CAO

Alberta Beach, Alberta  
May 29, 2020

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council of Summer Village of Silver Sands

### *Opinion*

We have audited the consolidated financial statements of Summer Village of Silver Sands (the "Summer Village") which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Summer Village as at December 31, 2019, and the consolidated results of its operations and consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Summer Village in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Summer Village's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Summer Village or 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.

(continues)

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements including the disclosures and whether the consolidated 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.

*Report on Other Legal and Regulatory Requirements*

- Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Summer Village's debt limit can be found in Note 7.

- Supplementary Accounting Principles and Standards Regulation (Salary and Benefit Disclosure):

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 10.

Edmonton, Alberta  
May 29, 2020

*Seniuk & Company*  
**Seniuk and Company,  
Chartered Professional Accountants**

**SUMMER VILLAGE OF SILVER SANDS**  
**Consolidated Statement of Financial Position**  
**December 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 408,083	\$ 929,629
Taxes and grants in place of taxes <i>(Note 3)</i>	81,549	77,575
Grants and receivables from other governments <i>(Note 4)</i>	123,002	24,449
Trade and other receivables	9,916	371
	<b>\$ 622,550</b>	<b>\$ 1,032,024</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 15,823	\$ 474,702
Deferred income <i>(Note 6)</i>	40,136	5,054
	<b>55,959</b>	<b>479,756</b>
<b>NET FINANCIAL ASSET (DEBT)</b>	<b>566,591</b>	<b>552,268</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 5)</i>	1,616,688	1,637,423
Prepaid expenses	-	2,143
	<b>1,616,688</b>	<b>1,639,566</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 2,183,279</b>	<b>\$ 2,191,834</b>

**On behalf of Council**

\_\_\_\_\_ *Mayor*

\_\_\_\_\_ *CAO*

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SILVER SANDS**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2019**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>REVENUE</b>			
Net municipal taxes (Schedule 1)	\$ 369,640	\$ 364,963	\$ 364,973
User fees and sale of goods	1,600	3,843	1,637
Government transfers for operating (Schedule 2)	18,669	20,673	22,688
Investment income	8,000	11,491	10,911
Penalties and costs of taxes	15,000	18,027	14,983
Licenses and permits	500	1,212	548
Franchise fees & concession contracts	4,000	4,451	4,186
Other	500	1,031	2,543
<b>Total revenue</b>	<b>417,909</b>	<b>425,691</b>	<b>422,469</b>
<b>EXPENSES</b>			
Administration and legislative	133,144	137,798	127,177
Fire service	34,404	34,000	31,915
Bylaw enforcement	7,866	10,459	10,105
Disaster and emergency measures	7,500	3,144	1,250
Roads, streets, walks and lighting	127,300	139,823	120,372
Waste, wastewater and stormwater	45,667	47,314	52,163
Family and community support	6,580	7,232	7,341
Land use planning, zoning and development	12,500	18,559	15,175
Parks and recreation	15,088	12,349	10,759
<b>Total operating expenses</b>	<b>390,049</b>	<b>410,678</b>	<b>376,257</b>
<b>Excess (deficiency) of revenue over expenses before other</b>	<b>27,860</b>	<b>15,013</b>	<b>46,212</b>
<b>OTHER</b>			
Government transfers for capital	76,500	71,696	457,794
Amortization	-	(95,264)	(83,808)
	76,500	(23,568)	373,986
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>104,360</b>	<b>(8,555)</b>	<b>420,198</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>2,191,834</b>	<b>1,771,636</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,183,279</b>	<b>\$ 2,191,834</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SILVER SANDS**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2019**

	2019	2018
<b>Excess (Shortfall) of Revenues Over Expenses</b>	<b>\$ (8,555)</b>	<b>\$ 420,198</b>
Acquisition of tangible capital assets	<b>(74,530)</b>	(454,905)
Amortization of tangible capital assets	<b>95,265</b>	83,808
	<b>12,180</b>	49,101
Use of prepaids	<b>2,143</b>	\$ (480)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>14,323</b>	48,621
Net financial assets (debt), beginning of year	<b>552,268</b>	503,647
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 566,591</b>	<b>\$ 552,268</b>

The accompanying notes form an integral part of these financial statements



**SUMMER VILLAGE OF SILVER SANDS**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (8,555)	\$ 420,198
Item not affecting cash:		
Amortization	95,264	83,808
	<b>86,709</b>	504,006
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	(3,974)	18,710
Trade and other receivables	(9,545)	5,520
Grants and receivables from other governments	(98,553)	(11,652)
Accounts payable	(458,878)	432,874
Prepaid expenses	2,143	(480)
Developer deposits	-	(2,103)
Deferred income	35,082	(312,799)
	<b>(533,725)</b>	130,070
Cash flow from (used by) operating activities	<b>(447,016)</b>	634,076
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(74,530)	(454,905)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(521,546)</b>	179,171
Cash - beginning of year	929,629	750,458
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 408,083</b>	<b>\$ 929,629</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SILVER SANDS**

**Consolidated Schedule of Property and Other Taxes**

**(Schedule 1)**

**Year Ended December 31, 2019**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>TAXATION</b>			
Real property tax	\$ 458,533	\$ 457,652	\$ 434,332
Linear property taxes	4,353	4,373	4,162
Minimum Municipal Tax	56,748	57,186	76,233
	519,634	519,211	514,727
<b>REQUISITIONS</b>			
Alberta School Foundation	138,209	142,463	138,209
Seniors' Housing	11,785	11,785	11,545
	149,994	154,248	149,754
<b>NET MUNICIPAL TAXES</b>	\$ 369,640	\$ 364,963	\$ 364,973

**Consolidated Schedule of Government Transfers**

**(Schedule 2)**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 18,669	\$ 20,673	\$ 22,688
	18,669	20,673	22,688
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	76,500	71,696	457,794
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 95,169	\$ 92,369	\$ 480,482

**Consolidated Schedule of Consolidated Expenditures by Object**

**(Schedule 3)**

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
<b>EXPENSES</b>			
Contracted and general services	\$ 269,631	\$ 288,579	\$ 263,424
Salaries, wages & benefits	87,700	91,827	84,758
Materials, goods and utilities	22,850	20,354	20,046
Transfer to local boards and agencies	9,268	9,918	8,029
<b>Total Consolidated Expenditures by Object</b>	\$ 389,449	\$ 410,678	\$ 376,257

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SILVER SANDS**

**Consolidated Schedule of Segmented Disclosure**  
**Year Ended December 31, 2019**

*(Schedule 4)*

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
<b>REVENUE</b>								
Net municipal taxes	\$ 364,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,963
Government transfers	-	11,004	2,205	5,564	600	1,300	-	20,673
User fees and sale of goods	1,096	-	-	1,718	-	-	-	2,814
Investment income	11,491	-	-	-	-	-	-	11,491
Other revenues	22,756	1,029	753	1,212	-	-	-	25,750
	400,306	12,033	2,958	8,494	600	1,300	-	425,691
<b>EXPENSES</b>								
Contract & general services	127,297	45,209	38,142	19,963	10,261	47,707	-	288,579
Salaries & wages	10,500	-	81,327	-	-	-	-	91,827
Materials, goods & utilities	-	-	20,354	-	-	-	-	20,354
Transfers to local boards	-	-	-	-	9,918	-	-	9,918
	137,797	45,209	139,823	19,963	20,179	47,707	-	410,678
<b>Excess (deficiency) of revenue over expenses before other</b>	262,509	(33,176)	(136,865)	(11,469)	(19,579)	(46,407)	-	15,013
<b>OTHER EXPENSE</b>								
Amortization	(1,228)	-	(82,467)	-	(11,569)	-	-	(95,264)
Government transfers for capital	-	-	71,696	-	-	-	-	71,696
	(1,228)	-	(10,771)	-	(11,569)	-	-	(23,568)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 261,281	\$ (33,176)	\$ (147,636)	\$ (11,469)	\$ (31,148)	\$ (46,407)	\$ -	\$ (8,555)

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SILVER SANDS**

**Consolidated Schedule of Changes in Accumulated Surplus**

*(Schedule 5)*

**Year Ended December 31, 2019**

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	<b>Total 2019</b>	Total 2018
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 101,589	\$ 229,257	\$ 223,566	\$ 1,637,422	\$ <b>2,191,834</b>	\$ 1,771,633
Excess (deficiency) of revenues over expenses	(8,555)	-	-	-	<b>(8,555)</b>	420,201
Current year funds used for tangible capital assets	(74,530)	-	-	74,530	-	-
Annual amortization expense	95,264	-	-	(95,264)	-	-
Net transfers to/from reserves	(27,860)	27,860	-	-	-	-
	(15,681)	27,860	-	(20,734)	<b>(8,555)</b>	420,201
<b>BALANCE, END OF YEAR</b>	\$ 85,908	\$ 257,117	\$ 223,566	\$ 1,616,688	\$ <b>2,183,279</b>	\$ 2,191,834

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Silver Sands are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the Summer Village of Silver Sands (the "Summer Village"). The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Summer Village and are, therefore accountable to the Summer Village Council for the administration of their financial affairs and resources.

The Schedule of Taxes Levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The 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.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by Summer Village Council in accordance with legislation and Summer Village Council approved policies to raise the tax revenue required to meet the Summer Village's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Consolidated Schedule of Property and Other Taxes.

The Summer Village also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Consolidated Schedule of Property and Other Taxes (Schedule 1).

*(continues)*

**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt less actuarial requirements for the retirement of any sinking fund debentures.

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

Inventories for Resale

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

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material, or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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

Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in Note 12. of the financial statements.

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.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria has been met and reasonable estimates of the amounts can be determined.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Consolidated Change in Net Financial Assets (Debt) for the year.

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	25 - 50 years
Machinery and equipment	5 - 20 years
Engineered structures	10 - 75 Years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributions of Tangible Capital Assets

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

**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

2. CASH AND TEMPORARY INVESTMENTS

	2019	2018
Cash	\$ 408,083	\$ 929,629

Temporary investments are short term deposits with original maturities of one year or less.

Not included in cash are funds held in trust of \$143,299 by the Summer Village for the Alberta Community Partnership Grant. The Summer Village is managing the funds for this grant in trust only.

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2019	2018
Current taxes and grants in place of taxes	\$ 27,859	\$ 31,119
Arrears taxes and grants in place of taxes	49,436	46,456
Subtotal	77,295	77,575
Requisition under-levy	4,254	-
	<b>\$ 81,549</b>	<b>\$ 77,575</b>

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2019	2018
Government grants receivable	\$ 110,943	\$ 24,449
Goods and Services Tax refundable	12,059	-
	<b>\$ 123,002</b>	<b>\$ 24,449</b>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 627,323	\$ -	\$ 627,323	\$ 627,323
Land improvements	98,849	67,706	31,143	37,649
Engineered structures	1,544,783	682,538	862,245	944,712
Buildings	62,403	49,020	13,383	14,651
Machinery and equipment	102,891	85,748	17,143	13,088
Motor vehicles	68,896	3,445	65,451	-
	<b>\$ 2,505,145</b>	<b>\$ 888,457</b>	<b>\$ 1,616,688</b>	<b>\$ 1,637,423</b>

The net book value of the tangible capital assets at year end also represents the amount of equity in tangible capital assets.

Equity in tangible capital assets equals the tangible capital assets balance.



**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2019	2018
Municipal Sustainability Initiative - Capital	\$ 11,167	\$ -
Federal Gas Tax Fund Grant	17,456	-
Subtotal	28,623	-
Prepaid taxes	11,513	5,054
	<b>\$ 40,136</b>	<b>\$ 5,054</b>

**Municipal Sustainability Initiative - Capital**

The Municipal Sustainability Initiative - capital is restricted to eligible capital projects as approved under the funding agreement. Funds from this grant are being deferred for a future capital project. Unexpended funds related to the advance are supported by restricted cash held exclusively for these future projects (refer to Note 2).

**Federal Gas Tax Fund**

The Federal Gas Tax Fund is restricted to eligible capital projects as approved under the funding agreement. Funds from this grant are being deferred for a future capital project. Unexpended funds, related to the advance, are supported by restricted cash held exclusively for these future projects (refer to Note 2).

7. 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 Sands be disclosed as follows:

	2019	2018
Total debt limit	\$ 638,537	\$ 633,704
Total debt	-	-
Amount of debt limit unused	638,537	633,704
Debt servicing limit	106,423	105,617
Debt servicing	-	-
Amount of debt servicing limit unused	<b>\$ 106,423</b>	<b>\$ 105,617</b>

The debt limit is calculated at 1.5 times revenue of the municipality (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 that could be at financial risk, if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

8. SEGMENTED DISCLOSURE

The Summer Village of Silver Sands provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 4).

9. CONTAMINATED SITES

The Summer Village identified one contaminated site that has been fully remediated; however, this site will continue to be monitored on an ongoing basis until 2036. In the current year, costs of \$Nil (2018 - \$-) were incurred to monitor the site.

10. SALARY AND BENEFITS DISCLOSURE

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

	Salary / Honorariums (1)		Benefits & allowances (2)		2019 Total	2018 Total
B. Poulin - Mayor	\$	3,250	\$	-	\$ 3,250	\$ 4,125
L. Turnbull - Councilor		2,550		-	2,550	1,525
R. Kirk - Councilor		-		-	-	1,000
G. Horne - Councilor		2,375		-	2,375	1,413
Chief Administrative Officer		71,744		-	71,744	70,338
Designated Officers		17,131		-	17,131	13,076
	\$	97,050	\$	-	\$ 97,050	\$ 91,477

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Administrative services are paid via contract for the Chief Administrative Officer and designated officers.

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

11. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy and long term debt.

It is management's opinion that the Summer Village is not exposed to significant interest or currency risks arising from these financial instruments.

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**SUMMER VILLAGE OF SILVER SANDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2019**

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11. FINANCIAL INSTRUMENTS *(continued)*

**(a) Credit risk**

Credit risk arises from the possibility that taxpayers and entities to which the municipality provides services may experience financial difficulty and be unable to fulfil their obligations. The municipality is subject to credit risk with respect to taxes and grants, in place of taxes receivable and trade, and other receivables. The large number and diversity of taxpayers and customers minimizes the credit risk

**(b) Fair value risk**

The Summer Village's carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Summer Village for debt with similar terms

Unless otherwise noted, it is management's opinion that the Summer Village is not exposed to significant other risks arising from these financial instruments.

12. CONTINGENT LIABILITY

In 2018 the Summer Village entered into an agreement to share the cost of a road improvement project with the County of Lac Ste. Anne (the County). Subsequent to the road project being completed, the County invoiced an additional amount of \$93,988 over and above the project approved and estimated total. According to the agreement, if it is determined the actual costs exceed estimated costs by 20% (which this amount does exceed the estimated total), both parties will further discuss and negotiate an amendment. As this additional cost has not been discussed or negotiated by both parties, a reasonable estimate cannot be made. No provision has been made in the financial statement as the outcome is not determinable.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

14. COMPARATIVE FIGURES

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

15. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited.