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SUMMER VILLAGE OF WHITE SANDS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council

Summer Village of White Sands

We have audited the accompanying financial statements of the Summer Village of White Sands, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net financial assets/debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 the 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 auditor's 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 control 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 control. An audit also includes evaluating the appropriateness of 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 that the audit evidence we have 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 White Sands as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Stettler, Alberta
April 28, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

**SUMMER VILLAGE OF WHITE SANDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 1,106,042	\$ 871,050
Investment in Shirley McCellan Regional Water Service Com.	113,956	75,042
Receivables		
Taxes and Grants in Place of Taxes (Note 3)	4,204	10,064
Trade and Other Receivables	16,356	8,971
Other Assets	<u>51</u>	<u>-</u>
 TOTAL FINANCIAL ASSETS	 <u>1,240,609</u>	 <u>965,127</u>
 LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 22,017	\$ 29,488
Deferred Revenue (Note 4)	670,414	479,970
Other Current Liabilities	-	-
Long-term Liabilities (Note 14)	78,336	69,107
Other Long-term Liabilities	<u>47,500</u>	<u>47,500</u>
 TOTAL LIABILITIES	 <u>\$ 818,267</u>	 <u>\$ 626,065</u>
 NET FINANCIAL ASSETS (DEBT)	 <u>\$ 422,342</u>	 <u>\$ 339,062</u>
 NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 7, Schedule 2)	452,320	446,008
Prepaid Expenses	<u>5,148</u>	<u>4,852</u>
 TOTAL NON-FINANCIAL ASSETS	 <u>457,468</u>	 <u>450,860</u>
 ACCUMULATED SURPLUS (Note 9)	 <u>\$ 879,810</u>	 <u>\$ 789,922</u>

Mayor

Date

**SUMMER VILLAGE OF WHITE SANDS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u> <u>Budget</u> <u>Unaudited</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
REVENUES			
Net Municipal Taxes (Schedule 3)	\$ 257,859	\$ 257,808	\$ 245,641
Sales and User Fees	850	3,379	1,745
Government Transfers for Operating (Schedule 4)	20,210	39,258	26,367
Investment Income	4,700	4,411	10,522
Rentals	710	676	714
Penalties and Costs of Taxes	4,500	5,529	5,711
Licenses and Permits	15,900	17,967	18,606
Fines	250	700	160
Other	-	51	(171)
Net Gain on Sale of Tangible Capital Assets	-	-	500
Total Revenue	<u>\$ 304,979</u>	<u>\$ 329,779</u>	<u>\$ 309,795</u>
EXPENSES (Schedule 5)			
Legislative	12,700	12,443	12,221
Administration	62,830	56,109	54,166
Protective Services	45,500	36,802	38,070
Transportation	74,860	55,139	85,645
Water Supply and Distribution	11,973	12,726	8,752
Waste Management	14,448	15,155	13,022
Subdivision Land Development	23,500	17,154	16,499
Parks & Recreation	34,900	32,401	33,291
Amortization (Note 13)	-	32,689	34,759
Total Expenses	<u>\$ 280,711</u>	<u>\$ 270,618</u>	<u>\$ 296,425</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	<u>\$ 24,268</u>	<u>\$ 59,161</u>	<u>\$ 13,370</u>
OTHER			
Contributed Assets	\$ -	\$ -	\$ -
Government Transfers for Capital (Schedule 4)	-	30,727	64,788
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 24,268</u>	<u>\$ 89,888</u>	<u>\$ 78,158</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>\$ 789,922</u>	<u>\$ 789,922</u>	<u>\$ 711,764</u>
ACCUMULTED SURPLUS, END OF YEAR	<u>\$ 814,190</u>	<u>\$ 879,810</u>	<u>\$ 789,922</u>

**SUMMER VILLAGE OF WHITE SANDS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016 Budget Unaudited</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 24,268	\$ 89,888	\$ 78,158
Acquisition of Tangible Capital Assets	(23,768)	(39,001)	(71,254)
Proceeds on Disposal of Tangible Capital Assets	-	-	-
Amortization of Tangible Capital Assets	-	32,689	34,759
(Gain) Loss on Sale of Tangible Capital Assets	-	-	-
	<u>\$ (23,768)</u>	<u>\$ (6,312)</u>	<u>\$ (36,495)</u>
Acquisition of Prepaid Assets	-	(5,148)	(4,852)
Use of Prepaid Assets	-	4,852	4,717
	<u>\$ -</u>	<u>\$ (296)</u>	<u>\$ (135)</u>
(INCREASE) DECREASE IN NET DEBT	\$ 500	\$ 83,280	\$ 41,528
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>\$ 339,062</u>	<u>\$ 339,062</u>	<u>\$ 297,534</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ 339,562</u>	<u>\$ 422,342</u>	<u>\$ 339,062</u>

**SUMMER VILLAGE OF WHITE SANDS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
OPERATING ACTIVITIES		
Excess (Shortfall) of Revenues Over Expenditures	\$ 89,888	\$ 78,158
Non-cash items included in excess (shortfall) of revenues over expenditures:		
Amortization of Tangible Capital Assets (Note 13)	32,689	34,759
(Gain) Loss on Sale of Tangible Capital Assets	-	-
Non-cash Charges to Operations (net change):		
Taxes and Grants in Lieu Receivables	5,860	497
Trade and Other Receivables	(7,385)	(1,077)
Other Financial Assets	(51)	172
Prepaid Expense	(296)	(135)
Accounts Payable and Accrued Liabilities	(7,471)	(35,583)
Deferred Revenue	190,444	273,970
Current Liabilities	-	-
Sale/(Purchase) of Inventory Held for Resale	-	-
Net Cash Provided by (used in) Operating Activities	<u>303,678</u>	<u>350,761</u>
CAPITAL ACTIVITIES		
Acquisition of Tangible Capital Assets	(39,001)	(71,254)
Proceeds on Sale of Tangible Capital Assets	-	-
Cash Applied to Capital Transactions	<u>(39,001)</u>	<u>(71,254)</u>
INVESTING ACTIVITIES		
Decrease (Increase) in Restricted Cash and Short-term Investments	(190,444)	(273,970)
Investment in Shirley McClellan Regional Water Services Commission	(38,914)	-
Net Cash Provided by (Used In) Investing Activities	<u>(229,358)</u>	<u>(273,970)</u>
FINANCING ACTIVITIES		
Due to Shirley McClellan Regional Water Services Commission	9,229	(1,823)
Net Cash Provided by (Used In) Financing Activities	<u>9,229</u>	<u>(1,823)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	\$ 44,548	\$ 3,714
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>391,080</u>	<u>387,366</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 435,628</u>	<u>\$ 391,080</u>
Cash and Cash Equivalents if Made up of:		
Cash and Temporary Investments (Note 2)	\$ 1,106,042	\$ 871,050
Less: Restricted Portion of Cash and Temporary Investments (Note 2)	(670,414)	(479,970)
	<u>\$ 435,628</u>	<u>\$ 391,080</u>

SUMMER VILLAGE OF WHITE SANDS
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2016 Actual	2015 Actual
BALANCE, BEGINNING OF YEAR	76,919	266,995	446,008	789,922	711,764
Excess (deficiency) of Revenues over Expense	89,888	-	-	89,888	78,158
Unrestricted Funds Designated for Future Use	(31,298)	31,298	-	-	-
Restricted Funds Used for Operations	-	-	-	-	-
Restricted Funds Used for TCA	(32,728)	(6,273)	6,273	-	-
Current Year Funds Used for TCA	(32,728)	-	32,728	-	-
Disposal of TCA	-	-	-	-	-
Annual Amortization Expense	32,689	-	(32,689)	-	-
Change in Accumulated Surplus	58,551	25,025	6,312	89,888	78,158
BALANCE, END OF YEAR	135,470	292,020	452,320	879,810	789,922

**SUMMER VILLAGE OF WHITE SANDS
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2016 Actual	2015 Actual
COST:								
BALANCE, BEGINNING OF YEAR		117,532	194,932	308,000	111,024	11,900	743,388	689,554
Acquisition of Tangible Capital Assets		895	7,378	19,453	11,275	-	39,001	71,254
Disposal of Tangible Capital Assets					-	-	-	(17,420)
BALANCE, END OF YEAR	-	118,427	202,310	327,453	122,299	11,900	782,389	743,388
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	60,991	45,613	144,677	37,769	8,330	297,380	280,041
Annual Amortization		6,217	5,143	10,759	8,190	2,380	32,689	34,759
Accumulated Amortization on Disposals					-	-	-	(17,420)
BALANCE, END OF YEAR	-	67,208	50,756	155,436	45,959	10,710	330,069	297,380
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	51,219	151,554	172,017	76,340	1,190	452,320	446,008
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	56,541	149,319	163,323	73,255	3,570	446,008	

**SUMMER VILLAGE OF WHITE SANDS
SCHEDULE 3 - PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u> <u>Budget</u> <u>Unaudited</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
TAXATION			
Real Property Taxes	\$ 550,923	\$ 550,872	\$ 538,531
Linear Property Taxes	<u>3,889</u>	<u>3,889</u>	<u>3,833</u>
Subtotal	<u>554,812</u>	<u>554,761</u>	<u>542,364</u>
REQUISITIONS			
Alberta School Foundation Fund - Basic	\$ 260,165	\$ 260,165	\$ 262,439
Seniors Foundation	<u>36,788</u>	<u>36,788</u>	<u>34,284</u>
Subtotal	<u>296,953</u>	<u>296,953</u>	<u>296,723</u>
NET MUNICIPAL TAXES	<u>\$ 257,859</u>	<u>\$ 257,808</u>	<u>\$ 245,641</u>

**SUMMER VILLAGE OF WHITE SANDS
SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016 Budget Unaudited</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
TRANSFERS FOR OPERATING:			
Provincial Grant	\$ 20,210	\$ 39,258	\$ 26,367
Subtotal	<u>20,210</u>	<u>39,258</u>	<u>26,367</u>
TRANSFERS FOR CAPITAL:			
Provincial Grant	\$ -	\$ 30,727	\$ 64,788
Subtotal	<u>-</u>	<u>30,727</u>	<u>64,788</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 20,210</u>	<u>\$ 69,985</u>	<u>\$ 91,155</u>

**SUMMER VILLAGE OF WHITE SANDS
SCHEDULE 5 - CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016 Budget Unaudited</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, Wages and Benefits	\$ 31,900	\$ 22,132	\$ 20,938
Contracted and General Services	202,601	186,051	183,385
Purchases from Other Governments	2,000	-	-
Materials, Goods, Supplies and Utilities	44,030	29,613	57,213
Provision for Allowances			
Transfers to Local Boards and Agencies	-	-	-
Bank Charges and Short Term Interest	150	133	130
Interest of Long-Term Debt			
Amortization of Tangible Capital Assets		32,689	34,759
Net Loss on Disposal of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 280,681</u>	<u>\$ 270,618</u>	<u>\$ 296,425</u>

**SUMMER VILLAGE OF WHITE SANDS
SCHEDULE 6 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Government	Protective Services	Transportation	Environmental Use & Protection	Planning & Development	Recreation & Culture	2016 Actual
REVENUE:							
Net Municipal Taxes	257,808						257,808
Sales and User Charges	479		2,900				3,379
Penalties and Costs on Taxes	5,529						5,529
Licenses and Permits	-				17,967		17,967
Fines		700					700
Returns on Investments	4,411		-				4,411
Rentals		676					676
Sale of F/A			-				-
Provincial Government Transfers	9,180		30,727	30,078			69,985
Other Revenues	51						51
Net Gain on Sale of Tangible Capital Assets							-
Total Revenue	277,458	1,376	33,627	30,078	17,967	-	360,506
EXPENSES:							
Salaries , Wages and Benefits	5,837	500	858	-	1,716	13,221	22,132
Contracted and General Services	61,248	36,302	33,293	26,082	15,438	13,688	186,051
Purchases from Other Governments		-					-
Materials, Goods, Supplies and Utilities	1,333		20,988	1,799		5,493	29,613
Bank Charges	133						133
Write Down of TCA							-
Total Expense	68,551	36,802	55,139	27,881	17,154	32,402	237,929
NET REVENUE, BEFORE AMORTIZATION	208,907	(35,426)	(21,512)	2,197	813	(32,402)	122,577
Amortization	-	-	25,940	1,358	-	5,391	32,689
NET REVENUE	208,907	(35,426)	(47,452)	839	813	(37,793)	89,888

**SUMMER VILLAGE OF WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the municipality.

The schedule of taxes levied also includes operating 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.

(b) 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.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for local governments 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.

(d) Investments

Investments are recorded at cost. Where 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 WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

(e) Government Transfers

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 have been met, and reasonable estimates of the amounts can be determined.

(f) 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, provided the consolidated Change in Net Financial Assets (Debt) for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amount that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>YEARS</u>
Land Improvements	15 - 25
Buildings	25 - 50
Machinery and Equipment	5 - 20
Vehicles	10
Engineered Structures	
Roadway System	5 - 40
Water System	45 - 75
Wastewater System	45 - 75

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.

ii) 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.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2016</u>	<u>2015</u>
Cash	\$ 1,106,042	\$ 871,050
Temporary Investments	-	-
Total	\$ 1,106,042	\$ 871,050

Included in Cash and Temporary Investments is a restricted amount of \$670,414 (2015 - \$479,970) received from various Provincial Programs and related to deferred grant funding. (Note 4).

**SUMMER VILLAGE OF WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

3. TAXES and GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2016</u>	<u>2015</u>
Current Taxes and Grants in Place of Taxes	\$ 4,040	\$ 7,683
Arrears Taxes	164	\$ 2,381
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
Total	<u>\$ 4,204</u>	<u>\$ 10,064</u>

4. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Municipal Sustainability Initiative	\$ 546,942	\$ 356,150
Street Improvement Program	37,271	38,493
Alberta Municipal Improvement Program	-	-
Basic Municipal Transportation Grant	36,492	36,141
New Deal for Cities & Communities	<u>49,709</u>	<u>49,186</u>
Total	<u>\$ 670,414</u>	<u>\$ 479,970</u>

5. RESERVES

Reserves for operating and capital activities changed as follows:

<u>Operating Reserves</u>	<u>2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>2016</u>
General Reserve	219,242	31,298	6,273	244,267
	-	-	-	-
Total Operating Reserves	<u>\$ 219,242</u>	<u>\$ 31,298</u>	<u>\$ 6,273</u>	<u>\$ 244,267</u>
 <u>Capital Reserves</u>	 <u>2015</u>	 <u>Increases</u>	 <u>Decreases</u>	 <u>2016</u>
Roads	47,753	-	-	47,753
	-	-	-	-
Total Capital Reserves	<u>\$ 47,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,753</u>
GRAND TOTAL RESERVES	<u>\$ 266,995</u>	<u>\$ 31,298</u>	<u>\$ 6,273</u>	<u>\$ 292,020</u>

**SUMMER VILLAGE OF WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

6. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits are defined by Alberta Regulation 255/00 for the Summer Village of White Sands be disclosed as follows:

	<u>2016</u>	<u>2015</u>
Total Debt Limit	\$ 494,669	\$ 464,693
Total Debt	<u>-</u>	<u>-</u>
Amount Total Debt Limit (Exceeded) Available Limit	<u>\$ 494,669</u>	<u>\$ 464,693</u>
Service on Debt Limit	\$ 82,445	\$ 77,449
Service on Debt	<u>-</u>	<u>-</u>
Amount Service on Debt Limit (Exceeded) Available Limit	<u>\$ 82,445</u>	<u>\$ 77,449</u>

The debit 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 required approval by the Minister of Municipal Affairs. These thresholds are guidelines used the 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.

7. TANGIBLE CAPITAL ASSETS

<u>Net Book Value</u>	<u>2016</u>	<u>2015</u>
Land	\$ -	\$ -
Land Improvements	51,219	56,541
Buildings	151,554	149,319
Engineering Structures		
Roadway System	28,753	32,810
Water System	2,478	2,549
Storm System	140,786	127,964
Machinery & Equipment & Furnishings	76,340	73,255
Vehicles	<u>1,190</u>	<u>3,570</u>
Total	<u>\$ 452,320</u>	<u>\$ 446,008</u>

**SUMMER VILLAGE OF WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2016</u>	<u>2015</u>
Tangible Capital Assets (Schedule 2)	\$ 782,389	\$ 743,388
Accumulated Amortization (Schedule 2)	<u>(330,069)</u>	<u>(297,380)</u>
Total	<u>\$ 452,320</u>	<u>\$ 446,008</u>

9. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<u>2016</u>	<u>2015</u>
Unrestricted Surplus (deficit)	\$ 135,470	\$ 76,919
Restricted Surplus (Note 5)	292,020	266,995
Equity in Tangible Capital Assets (Note 8)	<u>452,320</u>	<u>446,008</u>
Total	<u>\$ 879,810</u>	<u>\$ 789,922</u>

10. SALARY & 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:

	<u>2016</u>			<u>2015</u>		
	<u>#of Persons</u>	<u>Salary (1)</u>	<u>Benefits & Allowances (2&3)</u>	<u>Total</u>	<u># of Persons</u>	<u>Total</u>
Councillor C. Adair	1	800	400	1,200	1	1,200
Mayor B. Guenette	1	800	400	1,200	1	1,200
Councillor L. Thurston	1	1,701	850	2,551	1	3,100
CAO/Administrative Services Contract				30,000		30,000

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) The Summer Village of White Sands contracts administrative services and the duties of CAO from the Town of Stettler.

**SUMMER VILLAGE OF WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

11. SEGMENTED DISCLOSURE

The Summer Village of White 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 6).

12. FINANCIAL INSTRUMENTS

The Summer Village's financial statements consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Summer Village is not exposed to significant interest or currency risks arising from these financial instruments

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

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

13. AMORTIZATION

Amortization is a non-cash expense and is allocated to the different functions as follows:

	<u>2016</u>	<u>2015</u>
Common Services	\$ 15,251	\$ 17,131
Transportation	4,057	4,524
Storm System	6,632	5,866
Water System	71	71
Landfill System	1,287	1,287
Parks & Recreation	5,391	5,880
Total	<u>\$ 32,689</u>	<u>\$ 34,759</u>

**SUMMER VILLAGE OF WHITE SANDS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

14. LONG TERM LIABILITIES

Payable to Shirley McClellan Regional Water Services Commission due \$2,162 semi-annually including interest at 3.0757%, maturing December 2037

	2016	2015
Total	\$ 78,336	\$ 69,107

Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,291	\$ 2,025	\$ 4,316
2018	2,352	1,964	4,316
2019	2,425	1,891	4,316
2020	2,501	1,815	4,316
2021	2,579	1,737	4,316
Thereafter	66,188	20,139	86,327
	<u>\$ 78,336</u>	<u>\$ 29,571</u>	<u>\$ 107,907</u>

15. RECENT ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. The municipality is currently evaluating the effect of these standards on their financial statements

Section PSAB 3041 - Portfolio Investments

This new section establishes standards on how to account for and report portfolio investments in government financial statements. This standard is effective for the 2017 fiscal year.

Section PSAB 3450 - Financial Instruments

This section establishes standards on how to account for and report all types of financial instruments including derivatives. This standard is effective for the 2017 fiscal year.

Section PSAB 2601 - Foreign Currency Translation

This section establishes standards on how to account for and report transactions that are denominated in foreign currency in government financial statements and is effective in the 2019 fiscal year.

Section PSAB 1201 - Financial Statement Presentation

Revised standard related to financial statement presentation and becomes effective in 2019 when sections 2601 and 3450 are adopted.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.