

**Summer Village of
Silver Beach
Financial Statements**

December 31, 2019



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 21, 2020

A handwritten signature in cursive script, appearing to read "Joe Boyda", is written above a horizontal line.

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, 2019, 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, 2019, 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.

Independent Auditor's Report

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 21, 2020

MNP LLP

Chartered Professional Accountants

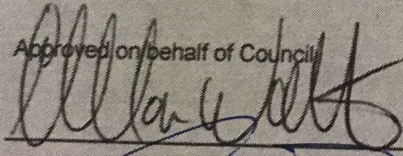
Summer Village of Silver Beach
Statement of Financial Position
As at December 31, 2019

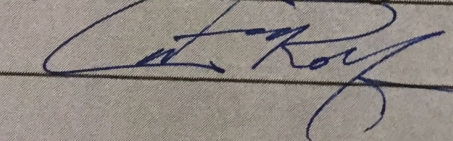
	2019	2018
Financial assets		
Cash (Note 3)	136,167	233,393
Investments (Note 4)	305,364	305,924
Property taxes receivable (Note 5)	8,417	106
Trade and other accounts receivable	22,062	23,646
	472,010	563,069
Liabilities		
Accounts payable and accrued liabilities	36,606	14,137
Deposit liabilities	20,000	20,000
Deferred revenue (Note 6)	64,231	219,037
Landfill closure and post-closure liability (Note 7)	42,500	60,507
	163,337	313,681
Net financial assets	308,673	249,388
Non-financial assets		
Tangible capital assets (Schedule II) (Note 10)	2,190,266	1,801,890
Prepaid expenses	700	200
	2,190,966	1,802,090
Accumulated surplus (Schedule I)	2,499,639	2,051,478

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, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Net municipal property taxes <i>(Schedule III)</i>	206,898	207,108	206,126
Government transfers <i>(Schedule IV)</i>	52,602	51,748	10,407
Franchise fees	9,500	10,575	9,606
Interest income	900	7,765	1,030
Penalties and costs on taxes	-	2,760	462
Licenses and permits	1,412	1,914	4,867
Other	-	921	1,679
Fines	347	893	7,500
Sales, user charges and costs	440	539	35,739
	272,099	284,223	277,416
Expenses			
Administrative	147,402	139,298	97,119
Wastewater	29,650	29,601	29,635
Protective services	36,061	27,871	77,712
Waste management	18,327	19,863	17,617
Amortization	-	19,743	26,381
Roads, streets, walks and lighting	10,646	18,202	23,168
Parks and recreation	18,980	17,409	10,031
Legislative	9,445	8,798	8,415
Planning and development	1,588	3,987	3,192
	272,099	284,772	293,270
Deficiency of revenue over expenses before other	-	(549)	(15,854)
Other			
Government transfers for capital <i>(Schedule IV)</i>	400,270	430,703	14,332
Landfill post closure cost reduction <i>(Note 7)</i>	-	18,007	-
Excess (deficiency) of revenue over expenses	400,270	448,161	(1,522)
Accumulated surplus, beginning of year	2,051,478	2,051,478	2,053,000
Accumulated surplus, end of year	2,451,748	2,499,639	2,051,478

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, 2019

	2019 Budget (Note 14)	2019	2018
Excess (deficiency) of revenue over expenses	400,270	448,161	(1,522)
Acquisition of tangible capital assets	(400,270)	(410,449)	(2,330)
Amortization of tangible capital assets	-	19,743	26,381
Net book value of disposed tangible assets	-	2,330	4,878
Use (acquisition) of prepaid expenses	-	(500)	387
Increase in net financial assets	-	59,285	27,794
Net financial assets, beginning of year	249,388	249,388	221,594
Net financial assets, end of year	249,388	308,673	249,388

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, 2019

	2019	2018
Cash provided by (used for) the following activities:		
Operating		
Excess (deficiency) of revenue over expenses	448,161	(1,522)
Non-cash items:		
Amortization of tangible capital assets	19,743	26,381
Loss on disposal of tangible capital assets	-	695
Write off of tangible capital assets	2,330	-
Decrease in landfill post closure liability	(18,007)	-
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	(154,806)	36,022
Decrease (increase) in prepaid expenses	(500)	387
Increase (decrease) in accounts payable and accrued liabilities	15,469	(24,434)
Decrease in trade and other accounts receivable	1,584	32,246
Decrease (increase) in property taxes receivable	(8,311)	2,862
Increase in deposit liabilities	-	5,000
	305,663	77,637
Capital		
Proceeds on sale of tangible capital assets	-	4,184
Acquisition of tangible capital assets <i>(Schedule II)</i>	(403,449)	(2,330)
	(403,449)	1,854
Investing		
Decrease (increase) in investments	560	(300,590)
	(97,226)	(221,099)
Decrease in cash	(97,226)	(221,099)
Cash, beginning of year	233,393	454,492
Cash, end of year	136,167	233,393

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, 2019

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets (Note 10)</i>	<i>2019</i>	<i>2018</i>
Balance, beginning of year	218,561	31,027	1,801,890	2,051,478	2,053,000
Excess (deficiency) of revenue over expenses	448,161	-	-	448,161	(1,522)
Unrestricted funds designated for future use	(59,785)	59,785	-	-	-
Acquisition of tangible capital assets	(410,449)	-	410,449	-	-
Disposal of tangible capital assets	2,330	-	(2,330)	-	-
Annual amortization expense	19,743	-	(19,743)	-	-
Change in accumulated surplus	-	59,785	388,376	448,161	(1,522)
Balance, end of year	218,561	90,812	2,190,266	2,499,639	2,051,478

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, 2019

	<i>Land</i>	<i>Land Improvements</i>	<i>Buildings</i>	<i>Engineered Structures</i>	<i>Machinery & Equipment</i>	<i>2019</i>	<i>2018</i>
Cost:							
Balance, beginning of year	1,025,380	88,763	8,500	1,316,715	31,741	2,471,099	2,542,961
Acquisition of tangible capital assets	-	191,858	-	218,591	-	410,449	2,330
Disposal of tangible capital assets	-	-	-	-	(2,330)	(2,330)	(74,192)
Balance, end of year	1,025,380	280,621	8,500	1,535,306	29,411	2,879,218	2,471,099
Accumulated amortization:							
Balance, beginning of year	-	22,560	6,630	622,374	17,645	669,209	712,142
Annual amortization	-	5,726	340	9,598	4,079	19,743	26,381
Accumulated amortization on disposals	-	-	-	-	-	-	(69,314)
Balance, end of year	-	28,286	6,970	631,972	21,724	688,952	669,209
Net book value	1,025,380	252,335	1,530	903,334	7,687	2,190,266	1,801,890
2018 net book value	1,025,380	66,203	1,870	694,341	14,096	1,801,890	

During the year, tangible capital assets were acquired at an aggregate cost of \$410,449 (2018 - \$2,330), of which \$7,000 (2018 - \$nil) was in accounts payable and accrued liabilities at year end; the remaining \$403,449 (2018 - \$2,330) 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, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Taxation			
Real property taxes	206,338	206,532	205,668
Requisitions	189,130	176,894	189,040
Linear property taxes	560	560	539
	396,028	383,986	395,247
Requisitions			
Alberta School Foundation Fund	189,130	176,878	189,121
Net municipal property taxes	206,898	207,108	206,126

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, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Operating			
Provincial	52,602	51,748	10,407
Capital			
Provincial	400,270	430,703	14,332
Total government transfers	452,872	482,451	24,739

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, 2019

	2019 Budget (Note 14)	2019	2018
Expenses by object			
Contracted and general services	260,078	243,663	203,374
Amortization of tangible capital assets	-	19,743	26,381
Materials and goods	5,196	15,414	12,637
Salaries, wages and benefits	5,825	5,067	49,227
Bank charges and short-term interest	1,000	885	956
Loss on disposal of tangible capital assets	-	-	695
	272,099	284,772	293,270

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, 2019

	General Government	Administration	Legislative	Environmental services	Protective services	Roads, streets, walks & lighting	Parks and recreation	Planning & development	Total
Revenue									
Government transfers	-	43,247	-	-	-	247,345	191,859	-	482,451
Net municipal property taxes	207,108	-	-	-	-	-	-	-	207,108
Reduction in post-closure landfill costs	-	-	-	18,007	-	-	-	-	18,007
Franchise fees	10,575	-	-	-	-	-	-	-	10,575
Interest income	-	7,765	-	-	-	-	-	-	7,765
Penalties and costs on taxes	2,760	-	-	-	-	-	-	-	2,760
Licenses and permits	-	-	-	-	-	-	-	1,914	1,914
Other	-	921	-	-	-	-	-	-	921
Fines	-	-	-	-	893	-	-	-	893
Sales, user charges, and costs	-	-	-	-	-	-	-	539	539
	220,443	51,933	-	18,007	893	247,345	191,859	2,453	732,933
Expenses									
Contracted and general services	-	138,171	4,589	49,464	27,871	3,325	16,256	3,987	243,663
Materials and goods	-	242	-	-	-	14,877	295	-	15,414
Salaries, wages and benefits	-	-	4,209	-	-	-	858	-	5,067
Bank charges and short-term interest	-	885	-	-	-	-	-	-	885
	-	139,298	8,798	49,464	27,871	18,202	17,409	3,987	265,029
Net revenue, before amortization	220,443	(87,365)	(8,798)	(31,457)	(26,978)	229,143	174,450	(1,534)	467,904
Amortization of tangible capital assets	-	1,354	-	-	884	9,699	7,806	-	19,743
Net revenue	220,443	(88,719)	(8,798)	(31,457)	(27,862)	219,444	166,644	(1,534)	448,161

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 and cash equivalents

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, 2019.

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.

Property tax 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.

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.

1. Significant accounting policies *(continued)*

Landfill closure and post-closure liability

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

Non-financial assets

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

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

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, 2019

2. Change in accounting policy

Effective January 1, 2019 the Summer Village of Silver Beach adopted the recommendations relating to the following Section, as set out in the CPA Canada Public Sector Accounting Handbook:

PS 3430 Restructuring 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 Section.

3. Cash

Of the total cash balance, \$51,816 (2018 - \$218,013) is reserved for unexpended expenses in future years.

4. Investments

Investments have an effective interest rate range of 0.5% - 1.95% (2018 - 2.45%) 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.

	2019	2018
Unrestricted	300,000	300,560
Restricted for the County of Wetaskiwin	5,364	5,364
	305,364	305,924

5. Property taxes receivable

	2019	2018
Current taxes	8,417	106

6. Deferred revenue

	2019	2018
Basic Municipal Transportation capital grant	46,124	18,848
Alberta School Foundation Fund	12,415	1,024
Provincial ACP grant	5,692	24,769
Municipal Sustainability Initiative capital grant	-	174,396
	64,231	219,037

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

Summer Village of Silver Beach
Notes to the Financial Statements

For the year ended December 31, 2019

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. During the year an updated quote was obtained for providing and spreading the covering, resulting in a decrease in the liability of \$18,007.

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:

2020	23,023
2021	23,483
2022	9,735
2023	7,470

10. Equity in tangible capital assets

	2019	2018
Tangible capital assets (<i>Schedule II</i>)	2,879,218	2,471,099
Accumulated amortization (<i>Schedule II</i>)	(688,952)	(669,209)
	2,190,266	1,801,890

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:

	2019	2018
Total debt limit	453,345	416,124
Total debt	-	-
Amount of debt limit unused	453,345	416,124
Service on debt limit	75,558	69,354
Service on debt	-	-
Amount of debt servicing limit unused	75,558	69,354

Summer Village of Silver Beach
Notes to the Financial Statements

For the year ended December 31, 2019

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:

	2019	2018
Mayor Watt	2,100	1,800
Councillor Martinson	2,100	2,400
Councillor Rolf	-	-
Chief Administrative Officer	45,500	45,500
Other designated officers	3,158	3,026

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 on May 27, 2019.

15. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Summer Village as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.