

**SUMMER VILLAGE OF SANDY BEACH**  
**Financial Statements**  
**For The Year Ended December 31, 2018**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

To the Mayor and Council of the Summer Village of Sandy Beach

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Village Council to express an opinion on the Village's financial statements.

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Rudolf Liebenberg,  
Chief Administrative Officer

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of Summer Village of Sandy Beach

### *Opinion*

We have audited the financial statements of Summer Village of Sandy Beach (the Village), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2018, and the results of its operations, changes 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 the 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 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 liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditors' Report to the Mayor and Council of Summer Village of Sandy Beach *(continued)*

- Identify and assess the risks 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 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 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 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.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
March 7, 2019

**SUMMER VILLAGE OF SANDY BEACH****Statement of Financial Position****As At December 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 1,772,575	\$ 1,557,354
Receivables <i>(Note 3)</i>	63,808	121,110
	<u>1,836,383</u>	<u>1,678,464</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 19,716	\$ 16,239
Deferred revenue <i>(Note 4)</i>	333,878	199,988
	<u>353,594</u>	<u>216,227</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,482,789</u>	<u>1,462,237</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 5)</i>	1,719,842	1,822,300
Prepays	10,524	10,279
	<u>1,730,366</u>	<u>1,832,579</u>
<b>ACCUMULATED SURPLUS <i>(Note 6)</i></b>	<u>\$ 3,213,155</u>	<u>\$ 3,294,816</u>

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

**SUMMER VILLAGE OF SANDY BEACH**  
**Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2018**

	2018 (Budget) (Note 11)	2018 (Actual)	2017 (Actual)
<b>REVENUE</b>			
Net taxation (Schedule 2)	\$ 347,508	\$ 348,761	\$ 339,859
Government transfers for operating	18,442	48,309	9,617
Return on investments	5,100	18,888	16,681
Penalties on taxes	8,210	14,319	13,817
Rentals	6,600	8,875	6,650
Sales and user charges	1,000	2,274	819
Other	-	1,350	-
	<u>386,860</u>	<u>442,776</u>	<u>387,443</u>
<b>EXPENSES</b>			
General administration	139,410	146,127	158,716
Roads, streets, walks and lighting	115,100	122,440	117,868
Waste management	92,000	84,979	16,767
Council and other legislative	15,000	13,718	11,207
Water	7,350	6,965	5,709
Land use planning, zoning and development	6,600	6,817	3,643
Fire	9,440	4,625	4,440
Culture: libraries, museums, halls	9,000	4,380	8,606
Family and community support services	9,065	3,200	600
Parks and recreation	1,800	1,308	1,650
Bylaw enforcement	-	-	2,627
Amortization	-	124,453	124,633
	<u>404,765</u>	<u>519,012</u>	<u>456,466</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	<u>(17,905)</u>	<u>(76,236)</u>	<u>(69,023)</u>
<b>OTHER REVENUE</b>			
Government transfers for capital	89,861	-	-
Gain (loss) on disposal of tangible capital assets	-	(5,425)	14,307
	<u>89,861</u>	<u>(5,425)</u>	<u>14,307</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>71,956</u>	<u>(81,661)</u>	<u>(54,716)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>3,294,816</u>	<u>3,294,816</u>	<u>3,349,532</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 6)</b>	<u>\$ 3,366,772</u>	<u>\$ 3,213,155</u>	<u>\$ 3,294,816</u>

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

**SUMMER VILLAGE OF SANDY BEACH**  
**Statement of Changes in Net Financial Assets**  
**For the Year Ended December 31, 2018**

	2018 (Budget) (Note 11)	2018 (Actual)	2017 (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 71,956	\$ (81,661)	\$ (54,716)
Acquisition of tangible capital assets	(89,861)	(48,420)	(16,328)
Amortization of tangible capital assets	-	124,453	124,633
Proceeds on sale of tangible capital assets	-	21,000	-
Loss on sale of tangible capital assets	-	5,425	-
	(17,905)	20,797	53,589
Use of prepaid expenses	-	(245)	(312)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(17,905)	20,552	53,277
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	1,462,237	1,462,237	1,408,960
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 1,444,332	\$ 1,482,789	\$ 1,462,237

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

**SUMMER VILLAGE OF SANDY BEACH**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ (81,661)	\$ (54,716)
Non-cash items not affecting annual surplus:		
Amortization	124,453	124,633
Loss (gain) on disposal of tangible capital assets	5,425	(14,307)
	<u>48,217</u>	<u>55,610</u>
Changes in non-cash working capital balances related to operations:		
Receivables	57,302	49,829
Accounts payable and accrued liabilities	3,477	(3,311)
Prepays	(245)	(312)
Deferred revenue	133,890	114,663
	<u>194,424</u>	<u>160,869</u>
Cash flow from operating activities	<u>242,641</u>	<u>216,479</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(48,420)	(16,328)
Proceeds on sale of tangible capital assets	21,000	14,307
Cash flow used by capital activities	<u>(27,420)</u>	<u>(2,021)</u>
<b>INCREASE IN CASH FLOW</b>	<b>215,221</b>	<b>214,458</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u><b>1,557,354</b></u>	<u><b>1,342,896</b></u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><b>\$ 1,772,575</b></u>	<u><b>\$ 1,557,354</b></u>

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



**SUMMER VILLAGE OF SANDY BEACH**  
**Schedule of Equity in Tangible Capital Assets**  
**For the Year Ended December 31, 2018**

**(Schedule 1)**

	<b>2018</b>	<b>2017</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 1,822,300</b>	<b>\$ 1,930,605</b>
Acquisition of tangible capital assets	<b>48,420</b>	16,328
Amortization	<b>(124,453)</b>	(124,633)
Net book value of tangible capital assets disposed of	<b>(26,425)</b>	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 1,719,842</b>	<b>\$ 1,822,300</b>
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	<b>\$ 1,719,842</b>	<b>\$ 1,822,300</b>

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

**SUMMER VILLAGE OF SANDY BEACH**  
**Schedule of Property Taxes**  
**For the Year Ended December 31, 2018**

**(Schedule 2)**

	2018 (Budget) (Note 11)	2018 (Actual)	2017 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 458,329	\$ <b>459,581</b>	\$ 450,834
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	102,246	<b>102,245</b>	102,355
Lac Ste. Anne Foundation	8,575	<b>8,575</b>	8,620
	110,821	<b>110,820</b>	110,975
<b>NET MUNICIPAL PROPERTY TAXES</b>	\$ 347,508	\$ <b>348,761</b>	\$ 339,859

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

**SUMMER VILLAGE OF SANDY BEACH**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2018**

**(Schedule 3)**

	2018 (Budget) (Note 11)	2018 (Actual)	2017 (Actual)
Materials, goods and supplies	\$ 126,536	\$ <b>156,101</b>	\$ 114,248
Salaries, wages and benefits	86,500	<b>123,089</b>	110,786
Contracted and general services	182,514	<b>111,396</b>	92,962
Transfer payments to other governments	9,065	<b>3,477</b>	13,725
Bank charges	150	<b>496</b>	112
Amortization	-	<b>124,453</b>	124,633
	<u>\$ 404,765</u>	<u>\$ <b>519,012</b></u>	<u>\$ 456,466</u>

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

# SUMMER VILLAGE OF SANDY BEACH

## Notes to Financial Statements

December 31, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Sandy Beach (the "Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Village are as follows:

(a) *Reporting Entity*

The financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Village and are, therefore, accountable to Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) *Basis of Accounting*

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents include items that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of one year or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

(d) *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 period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization.

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# SUMMER VILLAGE OF SANDY BEACH

## Notes to Financial Statements

December 31, 2018

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

#### (e) *Tax Revenue*

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from propriety owners for work performed by the Village and are recognized as revenue in the year the tax is levied.

#### (f) *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	15-25 years
Engineered structures	
Roadways	20-30 years
Wastewater	45 years
Buildings	50 years
Machinery and equipment	5 - 20 years
Vehicles	10 years

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

Works of art for display are not recorded as tangible capital assets but are disclosed.

#### (g) *Contaminated Sites*

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Village is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

#### (h) *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.

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

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

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# SUMMER VILLAGE OF SANDY BEACH

## Notes to Financial Statements

December 31, 2018

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

#### (i) *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 annual surplus, provides the consolidated Change in Net Financial Assets for the year.

**SUMMER VILLAGE OF SANDY BEACH****Notes to Financial Statements****December 31, 2018****2. CASH AND CASH EQUIVALENTS**

	<u>2018</u>	<u>2017</u>
Savings account	\$ 1,261,865	\$ 1,239,406
Operating account	496,656	303,894
Guaranteed Investment Certificates	14,054	14,054
	<u>\$ 1,772,575</u>	<u>\$ 1,557,354</u>

Guaranteed Investment Certificates bear interest at rate of 2.20 % maturing May 2019.

**3. RECEIVABLES**

	<u>2018</u>	<u>2017</u>
Taxes and grants in place of taxes	\$ 49,171	\$ 53,928
Goods and Services Tax	8,617	65,793
Trade and other	6,020	1,389
	<u>\$ 63,808</u>	<u>\$ 121,110</u>

**4. DEFERRED REVENUE**

Deferred revenue consists of restricted funds received by the Village which relate to costs that will be incurred in future periods.

	<u>2018</u>	<u>2017</u>
Municipal Sustainability Initiative - capital component	\$ 312,922	\$ 192,947
Federal Gas Tax Fund grants	20,956	623
Family and Community Support Services	-	6,418
	<u>\$ 333,878</u>	<u>\$ 199,988</u>

# SUMMER VILLAGE OF SANDY BEACH

## Notes to Financial Statements

December 31, 2018

### 5. TANGIBLE CAPITAL ASSETS

	2018 Net Book Value	2017 Net Book Value
Engineered Structures		
Roadway systems	\$ 824,350	\$ 882,513
Wastewater systems	93,675	99,018
	<b>918,025</b>	981,531
Buildings	392,256	404,850
Land	222,015	222,015
Machinery and equipment	139,705	158,840
Vehicles	29,086	32,964
Land improvements	18,755	22,100
	<b>\$ 1,719,842</b>	<b>\$ 1,822,300</b>

	Cost Beginning of Year	Purchased Additions	Disposals	Transfers	Cost End of Year
Engineered Structures					
Roadway systems	\$ 1,823,215	\$ 16,704	\$ -	\$ -	\$ 1,839,919
Wastewater systems	240,422	-	-	-	240,422
	2,063,637	16,704	-	-	2,080,341
Buildings	642,545	-	-	-	642,545
Machinery and equipment	371,314	31,716	39,116	-	363,914
Land	222,015	-	-	-	222,015
Land improvements	74,448	-	-	-	74,448
Vehicles	55,281	-	-	-	55,281
	<b>\$ 3,429,240</b>	<b>\$ 48,420</b>	<b>\$ 39,116</b>	<b>\$ -</b>	<b>\$ 3,438,544</b>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered Structures					
Roadway systems	\$ 940,702	\$ 74,867	\$ -	\$ -	\$ 1,015,569
Wastewater systems	141,404	5,343	-	-	146,747
	1,082,106	80,210	-	-	1,162,316
Buildings	237,695	12,594	-	-	250,289
Land improvements	52,348	3,345	-	-	55,693
Vehicles	22,317	3,878	-	-	26,195
Machinery and equipment	212,474	24,426	(12,691)	-	224,209
	<b>\$ 1,606,940</b>	<b>\$ 124,453</b>	<b>\$ (12,691)</b>	<b>\$ -</b>	<b>\$ 1,718,702</b>



**SUMMER VILLAGE OF SANDY BEACH****Notes to Financial Statements****December 31, 2018****6. ACCUMULATED SURPLUS**

	<u>2018</u>	<u>2017</u>
<b>Unrestricted surplus</b>	<b>\$ 332,528</b>	<b>\$ 383,826</b>
<b>Restricted surplus</b>		
Sewage reserve	360,000	340,000
Equipment reserve	291,000	271,000
Water reserve	246,285	234,190
Roads reserve	263,500	243,500
	<u>1,493,313</u>	<u>1,088,690</u>
Equity In tangible capital assets (Schedule 1)	<u>1,719,842</u>	<u>1,822,300</u>
	<b>\$ 3,213,155</b>	<b>\$ 3,294,816</b>

**7. SALARIES AND BENEFITS DISCLOSURE**

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

	<u>Salary (1)</u>	<u>Benefits (2)</u>	<u>2018</u>	<u>2017</u>
Village Council				
Mayor (2018) Harney	\$ 3,906	\$ -	\$ 3,906	\$ 1,326
Mayor (2017) Lambert	3,906	-	3,906	3,600
Drybough	3,906	-	3,906	1,326
Hellings	-	-	-	2,255
Bigelow	-	-	-	2,255
	<u>\$ 11,718</u>	<u>\$ -</u>	<u>\$ 11,718</u>	<u>\$ 10,762</u>
Chief Administrative Officer	<u>\$ 52,000</u>	<u>\$ 3,547</u>	<u>\$ 55,547</u>	<u>\$ 63,359</u>

Salary includes regular base pay, lump sum payments, gross honoraria and any other direct cash remuneration. Chief Administrative Officers salaries also includes amounts paid in subcontracting administrative support staff services.

Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees and the employer's share of the costs of any additional taxable benefits.

**8. CONTRACTUAL OBLIGATIONS**

The Village has entered into an agreement for Municipal Assessment Services for the period April 1, 2016 - March 31, 2019. The agreement requires annual fees in the amount of \$7,772 over the term.

## SUMMER VILLAGE OF SANDY BEACH

### Notes to Financial Statements

December 31, 2018

#### 9. 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 Village be disclosed as follows:

	2018	2017
Total debt limit	\$ 664,164	\$ 581,165
Total debt	-	-
<b>Total debt limit remaining</b>	<b>\$ 664,164</b>	<b>\$ 581,165</b>
Service on debt limit	\$ 110,694	\$ 96,861
Service on debt	-	-
<b>Total service on debt limit remaining</b>	<b>\$ 110,694</b>	<b>\$ 96,861</b>

The debt limit is calculated at 1.5 times revenue of the 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 limits 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 stability of the Village. Rather, the financial statements must be interpreted as a whole.

#### 10. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest or currency risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximates their carrying values.

The Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of customers minimizes the Village's credit risk.

#### 11. BUDGET FIGURES

Budget figures are provided for informational purposes only and are unaudited. The 2018 budget, prepared by the Summer Village of Sandy Beach, reflects all municipal activities including capital projects and reserves for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

	2018 Budget	2018 Actual
Annual surplus (deficit)	\$ 71,956	\$ (81,661)
Loss (gain) on disposal of tangible capital assets	-	5,425
Purchase of tangible capital assets	(89,861)	(48,420)
Net transfers (to) from reserves	17,905	(72,095)
	<b>\$ -</b>	<b>\$ (196,751)</b>

**SUMMER VILLAGE OF SANDY BEACH**

**Notes to Financial Statements**

**December 31, 2018**

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**12. RELATED PARTY TRANSACTIONS**

Salaries, wages and benefits include \$0 (2017 - \$35,301) for salaries and benefits to the brother of a Village Council member.

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**13. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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