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**SUMMER VILLAGE OF SUNSET POINT  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**SUMMER VILLAGE OF SUNSET POINT**

**DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

### TO THE COUNCIL OF SUMMER VILLAGE OF SUNSET POINT

Report on the Audit of the Financial Statements

#### *Opinion*

I have audited the financial statements of Summer Village of Sunset Point, which comprise the statement of financial position as at December 31, 2018, and the results of its operations, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Summer Village of Sunset Point as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Summer Village in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 omission,

misrepresentation, or 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I will 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

*Report on Other Legal and Regulatory Requirements*

- Debt Limit Regulation
- In accordance with Alberta Regulation 255/2000, I confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account the Summer Village's debt limit can be found in Note 5.

EDMONTON, ALBERTA  
APRIL 18, 2019

AL SCHERBARTH PROFESSIONAL CORPORATION

**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED FINANCIAL POSITION  
DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 447,539	\$ 452,164
Receivables		
Taxes receivable (Note 3)	47,728	25,908
Trade and other receivables	121	-
Good and services tax receivable	9,396	24,498
Under-levy on requisitions	-	1,714
	<u>504,784</u>	<u>504,284</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	38,046	8,813
Over-levy on requisitions	3,935	-
Deferred revenue (Note 4)	183,248	182,819
	<u>225,229</u>	<u>191,632</u>
<b>NET FINANCIAL ASSETS</b>	279,555	312,652
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets	865,489	879,491
Prepaid expense	2,834	4,283
	<u>868,323</u>	<u>883,774</u>
<b>ACCUMULATED SURPLUS (Schedule 1)</b>	<u>\$ 1,147,878</u>	<u>\$ 1,196,426</u>

APPROVED BY COUNCIL

\_\_\_\_\_ MAYOR

\_\_\_\_\_ COUNCILOR

**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2018**

	<b>BUDGET</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	\$ 342,756	\$ 336,739	\$ 328,950
Waste water treatment and disposal	99,800	95,800	95,650
Franchise fees	10,000	17,910	14,378
Government transfers for operating (Schedule 4)	9,000	17,872	16,314
Other Revenues	10,150	9,213	2,966
Rental	6,400	8,400	6,000
Penalties and costs of taxes	6,000	7,275	6,018
Other requisitions	7,000	-	150
<b>TOTAL REVENUE</b>	<b>735,815</b>	<b>493,209</b>	<b>470,426</b>
<b>EXPENSES</b>			
Water waste treatment and disposal	190,702	186,100	185,300
Roads, streets, walks and lighting	57,050	87,543	85,728
Administration	81,000	80,244	73,010
Parks and recreation	52,900	53,326	44,709
Waste management	38,250	35,162	35,006
Amortization	-	26,202	15,276
Legislative	34,494	25,378	33,153
Water	12,711	7,007	5,735
Land use zoning, planning and development	-	2,100	-
Fire and bylaws enforcement	2,000	1,727	1,950
Culture	22,000	-	-
<b>TOTAL EXPENSES</b>	<b>491,107</b>	<b>504,789</b>	<b>479,867</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES, BEFORE OTHER</b>	<b>244,708</b>	<b>(11,580)</b>	<b>(9,441)</b>
<b>OTHER</b>			
Ice Quake	-	(36,968)	-
Government transfers for capital (Schedule 4)	-	-	318,645
<b>TOTAL OTHER</b>	<b>-</b>	<b>(36,968)</b>	<b>318,645</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>244,708</b>	<b>(48,548)</b>	<b>309,204</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>1,196,426</b>	<b>1,196,426</b>	<b>887,222</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,441,134</b>	<b>\$ 1,147,878</b>	<b>\$ 1,196,426</b>

**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED STATEMENT OF CHANGE IN NET  
FINANCIAL ASSETS  
YEAR ENDED DECEMBER 31, 2018**

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	<b>BUDGET</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
EXCESS OF REVENUE OVER EXPENSES	\$ 244,708	\$ (48,548)	\$ 309,204
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(12,200)	(318,645)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	<u>-</u>	<u>26,202</u>	<u>15,276</u>
	<u>-</u>	<u>14,002</u>	<u>(303,369)</u>
USE OF PREPAID ASSETS	<u>-</u>	<u>1,449</u>	<u>(3,781)</u>
INCREASE IN NET FINANCIAL ASSETS	244,708	(33,097)	2,054
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>312,652</u>	<u>312,652</u>	<u>310,598</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 557,360</u>	<u>\$ 279,555</u>	<u>\$ 312,652</u>

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**SUMMER VILLAGE OF SUNSET POINT  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018**

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	<u>2018</u>	<u>2017</u>
<b>OPERATING</b>		
Excess of revenues over expenditures	\$ (48,548)	\$ 309,204
Amortization	26,202	15,276
Non-cash changes to operations (net change):		
Decrease (increase) in taxes receivable	(21,820)	(6,580)
Decrease (increase) in trade and other receivables	(121)	1,590
Decrease (increase) in Goods and services tax receivable	15,102	(4,308)
Decrease (increase) in under-levy	1,714	(1,714)
Increase (decrease) in accounts payable and accrued liabilities	29,234	7,523
Increase (decrease) in over-levy	3,935	(3,715)
Increase (decrease) in deferred revenue	429	(141,033)
Decrease (increase) in prepaid expenses	1,448	(3,780)
<hr/>		
Cash provided by operating transactions	7,575	172,463
<hr/>		
<b>CAPITAL</b>		
Purchases of tangible capital assets	(12,200)	(318,645)
<hr/>		
<b>INVESTING</b>		
<b>(DECREASE) IN CASH DURING YEAR</b>	(4,625)	(146,182)
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<b>CASH, BEGINNING OF YEAR</b>	452,164	598,346
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<b>CASH, END OF YEAR (Note 2)</b>	\$ 447,539	\$ 452,164
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**SUMMER VILLAGE OF SUNSET POINT  
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
YEAR ENDED DECEMBER 31, 2018**

**SCHEDULE 1**

	<b>UNRESTRICTED SURPLUS</b>	<b>RESTRICTED SURPLUS</b>	<b>EQUITY IN TANGIBLE CAPITAL ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 188,153	128,782	\$ 879,491	\$ 1,196,426	\$ 887,222
Excess (deficiency) of revenues over expenses	(48,548)	-	-	(48,548)	309,204
Current year funds used for tangible capital assets	(12,200)	-	12,200	-	-
Annual amortization expense	26,202	-	(26,202)	-	-
Change in accumulated surplus	(34,546)	-	(14,002)	(48,548)	309,204
<b>BALANCE, END OF YEAR</b>	153,607	128,782	865,489	1,147,878	1,196,426

**SUMMER VILLAGE OF SUNSET POINT  
SCHEDULE OF TANGIBLE CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2018**

SCHEDULE 2

	<u>LAND</u>	<u>BUILDING</u>	<u>ENGINEERED STRUCTURES</u>	<u>MACHINERY &amp; EQUIPMENT</u>	<u>2018</u>	<u>2017</u>
<b>COST:</b>						
Balance, beginning of year	\$ 517,004	\$ 33,663	\$ 1,409,125	\$ 8,127	\$ 1,967,919	\$ 1,649,274
Acquisition of tangible capital assets	-	-	-	12,200	12,200	318,645
Balance, end of year	517,004	33,663	1,409,125	20,327	1,980,119	1,967,919
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, beginning of year		30,969	1,049,332	8,127	1,088,428	1,073,152
Disposals	-	-	-	-	-	-
Annual amortization	-	673	25,224	305	26,202	15,276
Balance, end of year	-	31,642	1,074,556	8,432	1,114,630	1,088,428
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 517,004</b>	<b>\$ 2,021</b>	<b>\$ 334,569</b>	<b>\$ 11,895</b>	<b>\$ 865,489</b>	<b>\$ 879,491</b>

**SUMMER VILLAGE OF SUNSET POINT  
 SCHEDULE OF PROPERTY AND OTHER TAXES  
 YEAR ENDED DECEMBER 31, 2018**

	<b>SCHEDULE 3</b>		
	<b>BUDGET</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>TAXATION</b>			
Real property taxes	\$ 520,612	\$ 512,804	\$ 499,194
Linear property taxes	500	2,291	2,965
	<hr/> 521,112	<hr/> 515,095	<hr/> 502,159
<b>REQUISITION</b>			
Alberta School Foundation Fund	164,502	164,502	159,692
Lac Ste Anne	13,854	13,854	13,517
	<hr/> 178,356	<hr/> 178,356	<hr/> 173,209
<b>NET MUNICIPAL TAXES</b>	<hr/> <hr/> \$ 342,756	<hr/> <hr/> \$ 336,739	<hr/> <hr/> \$ 328,950

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**SUMMER VILLAGE OF SUNSET POINT  
SCHEDULE OF GOVERNMENT TRANSFERS  
YEAR ENDED DECEMBER 31, 2018**

	<b>SCHEDULE 4</b>		
	<b>BUDGET</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 9,000	\$ 17,872	\$ 16,314
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	-	-	318,645
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 9,000	\$ 17,872	\$ 334,959

**CONSOLIDATED SCHEDULE OF EXPENDITURES BY OBJECT  
YEAR ENDED DECEMBER 31, 2018**

	<b>SCHEDULE 5</b>		
	<b>BUDGET</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>EXPENSES</b>			
Contracted and general services	\$ 281,103	\$ 248,158	\$ 231,776
Transfers to other governments	167,854	196,173	194,210
Amortization of tangible capital assets	-	26,202	15,276
Salaries wages and benefits	35,050	23,345	34,679
Materials goods and utilities	7,100	10,911	3,926
Other expenditures - Ice Quake	-	36,968	-
<b>TOTAL EXPENDITURE</b>	\$ 491,107	\$ 541,757	\$ 479,867

# SUMMER VILLAGE OF SUNSET POINT

## NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2018

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Summer Village of Sunset Point 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 Professional Accountants 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, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations of all of the organizations that are owned or controlled by 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 municipality reporting entity.

(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 the receipt of goods and 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 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 amortized cost.

(e) **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 have been met, and reasonable estimates of the amounts can be determined.

**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**(f) Tax Revenue**

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as flow through and are excluded from municipal revenue.

**(g) 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.

**(h) 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.

**(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 on a straight-line basis over the estimated useful life as follows:

Buildings	50 years
Engineered structures - roads	20 years
Machinery and equipment	20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

**2. CASH**

	<u>2018</u>	<u>2017</u>
Unrestricted cash	\$ 264,291	\$ 269,345
Restricted cash	<u>183,248</u>	<u>182,819</u>
	<u>\$ 447,539</u>	<u>\$ 452,164</u>

Cash includes cash in the bank and temporary investments with original maturities of three months or less.

**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**3. TAXES RECEIVABLE**

	<u>2018</u>	<u>2017</u>
Current taxes	\$ 27,088	\$ 8,518
Arrears	<u>20,640</u>	<u>17,390</u>
	<u>\$ 47,728</u>	<u>\$ 25,908</u>

**4. DEFERRED REVENUE**

	<u>2018</u>	<u>2017</u>
Municipal Sustainability Grant - Capital	\$ 156,031	\$ 155,919
Federal Gas Tax Fund	16,668	16,618
Basic Municipal Transportation	<u>10,549</u>	<u>10,282</u>
	<u>\$ 183,248</u>	<u>\$ 182,819</u>

This funding was received in prior years from the Municipal Sustainability Initiative. This funding is restricted to eligible capital projects, as approved under the funding agreement, which are scheduled for completion in years subsequent to fiscal 2019.

**5. 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 Sunset Point be disclosed as follows:

	<u>2018</u>	<u>2017</u>
Total debt limit	\$ 739,814	\$ 705,639
Total debt	<u>-</u>	<u>-</u>
Amount total debt limit unused	<u>\$ 739,814</u>	<u>705,639</u>
Debt servicing limit	\$ 123,302	117,607
Debt servicing	<u>-</u>	<u>-</u>
Amount of debt servicing limit unused	<u>\$ 123,302</u>	<u>117,607</u>

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 SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**6. EQUITY IN TANGIBLE CAPITAL ASSETS**

	Net <u>2018</u>	Net <u>2017</u>
Tangible capital assets (Schedule 2)	\$ 1,980,119	\$ 1,967,919
Accumulated amortization (Schedule 2)	<u>(1,114,630)</u>	<u>(1,088,428)</u>
	<u>\$ 865,489</u>	<u>\$ 879,491</u>

**7. ACCUMULATED SURPLUS**

	<u>2018</u>	<u>2017</u>
Unrestricted surplus	\$ 153,607	\$ 188,153
Restricted surplus	-	-
Infrastructure	121,782	121,782
Snow removal	<u>7,000</u>	<u>7,000</u>
Total restricted surplus	128,782	128,782
Equity in tangible capital assets	<u>865,489</u>	<u>879,491</u>
	<u>\$ 1,147,878</u>	<u>\$ 1,196,426</u>

**8. SALARY & BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	<u>2018</u>			<u>2017</u>
	Salary	Benefits Allowances	Total	Total
Councillors:				
Ann Morrison	\$ 4,700	\$ 528	\$ 5,228	\$ 6,681
Richard Martin	4,000	583	4,583	4,496
Brian Purnell	3,875	460	4,335	3,007
Betty Forfyflow	-	-	-	1,948
Village Administrator	\$ 50,950	\$ 1,873	\$ 52,823	\$ 45,601

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

(2) Benefits and allowances figures also include the Employer's share of the costs of additional taxable benefits including travel allowance



**SUMMER VILLAGE OF SUNSET POINT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**9. FINANCIAL INSTRUMENTS**

The Summer Village's financial instruments consist of cash, taxes and grants in place of taxes, accounts receivable, accounts payable and accrued liabilities, prepaid taxes and deferred revenue. It is management's opinion that the Summer Village is not exposed to significant interest or current risks arising from these financial instruments.

The Summer Village is subject to credit risk with respect to 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 number and diversity of taxpayers and customers minimizes the credit risk.

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

**10. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements. The budgeted figures have been presented for information purposes and are unaudited.

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