

SUMMER VILLAGE OF WEST COVE
Consolidated Financial Statements
Year Ended December 31, 2014

SUMMER VILLAGE OF WEST COVE
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Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of West Cove

We have audited the accompanying consolidated financial statements of Summer Village of West Cove, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Summer Village of West Cove as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta
June 29, 2015

Seniuk and Company
Chartered Accountants

SUMMER VILLAGE OF WEST COVE
Consolidated Statement of Financial Position
December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 496,223	\$ 499,423
Taxes receivable (Note 3)	34,815	23,826
Grants and receivables from other governments (Note 4)	125,282	17,611
Interest receivable	-	707
	\$ 656,320	\$ 541,567
LIABILITIES		
Accounts payable	\$ 56,405	\$ 56,885
Deferred income (Note 6)	136,620	118,885
	193,025	175,770
NET FINANCIAL ASSETS	463,295	365,797
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	2,125,053	2,131,536
ACCUMULATED SURPLUS	\$ 2,588,348	\$ 2,497,333

On behalf of Council

 Councilor

OFFICIAL ADMINISTRATOR

Councilor

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE
Consolidated Statement of Operations
Year Ended December 31, 2014

	Budget	Actual	Actual
	2014	2014	2013
REVENUE			
Net municipal taxes (Schedule 1)	\$ 257,881	\$ 253,662	\$ 247,858
User fees and sale of goods	400	1,275	646
Government transfers for operating	8,835	13,221	21,414
Investment income	2,000	4,260	4,331
Penalties and costs of taxes	2,000	7,664	11,067
Licenses and permits	-	1,910	1,093
Other	-	7,616	5,838
Total revenue	271,116	289,608	292,247
EXPENSES			
Administration and Legislative	77,850	101,996	71,500
Fire service	33,000	24,207	28,324
Bylaw enforcement	2,750	2,025	10,861
Roads, streets, walks and lighting	25,000	20,871	21,468
Wastewater treatment and disposal	6,480	11,358	7,987
Waste management	35,000	41,762	32,821
Land use planning, zoning and development	-	3,058	1,093
Parks and recreation	64,483	48,984	50,539
Libraries, museums and halls	24,000	3,052	4,137
Amortization	-	59,675	60,954
Total operating expenses	268,563	316,988	289,684
Excess of revenue over expenses before other	2,553	(27,380)	2,563
OTHER INCOME (EXPENSES)			
Government transfers for capital	119,099	118,395	14,673
EXCESS OF REVENUE OVER EXPENSES	121,652	91,015	17,236
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	2,497,333	2,480,097
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 2,588,348	\$ 2,497,333

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2014

	2014	2013
Excess of revenue over expenses	\$ 91,015	\$ 17,236
Acquisition of tangible capital assets	(53,192)	-
Amortization of tangible capital assets	59,675	60,954
INCREASE (DECREASE) IN NET ASSETS	97,498	78,190
Net financial assets, beginning of year	365,797	287,607
NET FINANCIAL ASSETS, END OF YEAR	\$ 463,295	\$ 365,797

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE
Consolidated Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 91,015	\$ 17,236
Item not affecting cash:		
Amortization	59,675	60,954
	150,690	78,190
Changes in non-cash working capital:		
Taxes receivable	(10,989)	(6,647)
Grants and receivables from other governments	(107,671)	28,854
Interest receivable	707	(395)
Accounts payable	(480)	51,300
Deferred income	17,735	68,136
	(100,698)	141,248
Cash flow from operating activities	49,992	219,438
INVESTING ACTIVITY		
Purchase of capital assets	(53,192)	-
INCREASE (DECREASE) IN CASH FLOW	(3,200)	219,438
Cash - beginning of year	499,423	279,985
CASH - END OF YEAR (Note 2)	\$ 496,223	\$ 499,423

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE

Consolidated Schedule of Property and Other Taxes

(Schedule 1)

Year Ended December 31, 2014

	Budget 2014	Actual 2014	Actual 2013
TAXATION			
Real property tax	\$ 400,226	\$ 394,649	\$ 395,837
Linear property taxes	762	699	761
	400,988	395,348	396,598
REQUISITIONS			
Alberta School Foundation	129,657	129,657	136,096
Seniors' housing requisition	13,450	12,029	12,644
	143,107	141,686	148,740
NET MUNICIPAL TAXES	\$ 257,881	\$ 253,662	\$ 247,858

Consolidated Schedule of Government Transfers

(Schedule 2)

Year Ended December 31, 2014

	Budget 2014	Actual 2014	Actual 2013
TRANSFERS FOR OPERATING			
Provincial Government	\$ 8,835	\$ 13,221	\$ 21,414
	8,835	13,221	21,414
TRANSFERS FOR CAPITAL			
Provincial Government	119,099	118,395	14,673
TOTAL GOVERNMENT TRANSFERS	\$ 127,934	\$ 131,616	\$ 36,087

Consolidated Schedule of Consolidated Expenditures by Object

(Schedule 3)

Year Ended December 31, 2014

	Budget 2014	Actual 2014	Actual 2013
EXPENSES			
Salaries, wages & benefits	\$ 37,000	\$ 31,148	\$ 27,470
Contracted and general services	179,830	196,352	171,787
Materials, goods and utilities	19,200	17,740	17,453
Transfer to local boards and agencies	12,183	11,888	11,571
Bank charges and short term interest	350	185	450
Total Consolidated Expenditures by Object	\$ 248,563	\$ 257,313	\$ 228,731

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE

**Consolidated Schedule of Segmented Disclosure
Year Ended December 31, 2014**

(Schedule 4)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	2014
TRADE SALES								
Net municipal taxes	\$ 253,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,662
Government transfers	8,835	-	122,781	-	-	-	-	131,616
User fees and sales of goods	1,275	-	-	-	-	-	-	1,275
Investment income	4,260	-	-	-	-	-	-	4,260
Other revenues	15,280	-	-	1,910	-	-	-	17,190
	283,312	-	122,781	1,910	-	-	-	408,003
EXPENSES								
Contract & general services	96,914	26,232	8,259	3,058	12,121	49,766	-	196,350
Salaries & wages	3,825	-	-	-	27,324	-	-	31,149
Materials, goods & utilities	1,072	-	12,612	-	4,056	-	-	17,740
Transfers to local boards	-	-	-	-	8,535	3,354	-	11,889
Other expenses	185	-	-	-	-	-	-	185
	101,996	26,232	20,871	3,058	52,036	53,120	-	257,313
GROSS PROFIT	181,316	(26,232)	101,910	(1,148)	(52,036)	(53,120)	-	150,690
OTHER EXPENSE								
Amortization	2,049	-	40,470	-	8,663	8,493	-	59,675
	\$ 179,267	\$ (26,232)	\$ 61,440	\$ (1,148)	\$ (60,699)	\$ (61,613)	\$ -	\$ 91,015
INCOME (LOSS) FROM OPERATIONS								

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE

**Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2014**

(Schedule 5)

	Unrestricted Surplus 2014	Operating Reserve 2014	Capital Reserves 2014	Equity in Tangible Capital Assets 2014	Total 2014	Total 2013
BALANCE, BEGINNING OF YEAR	\$ 308,797	\$ 12,000	\$ 45,000	\$ 2,131,536	\$ 2,497,333	\$ 2,480,097
Excess (deficiency) of revenues over expenses	91,015	-	-	-	91,015	17,236
Current year funds used for tangible capital assets	(53,192)	-	-	53,192	-	-
Annual amortization expense	59,675	-	-	(59,675)	-	-
	97,498	-	-	(6,483)	91,015	17,236
BALANCE, END OF YEAR	\$ 406,295	\$ 12,000	\$ 45,000	\$ 2,125,053	\$ 2,588,348	\$ 2,497,333

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

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

(continues)

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

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

Tax Revenue

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

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Investments

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

Debt Charges Recoverable

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

(*continues*)

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

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

Requisition Over-levy and Under-levy

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

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

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

Inventories for resale

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

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.

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.

(*continues*)

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

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

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 Years
Engineered structure - Paved Roads	20 Years
Buildings	50 Years
Machinery and equipment	10 Years
Computer software	3 Years
Furniture and fixtures	5 Years
Engineered structures - Gravel Roads	25 Years
Engineered structures - Water system	45 Years

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

Contributions of Tangible Capital Assets

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

Cultural and Historical Tangible Capital Assets

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

2. CASH AND TEMPORARY INVESTMENTS

	2014	2013
Cash and temporary investments	\$ 490,150	\$ 380,538
Restricted cash	6,073	118,885
	\$ 496,223	\$ 499,423

Temporary investments are short-term deposits with original maturities of three months or less.

Included in cash as indicated above are restricted amounts received from the Municipal Grants which are held exclusively for specific purposes (Note 6). Tax sale recovery amounts of \$ 4,657 held in trust are excluded from the financial statements.

Bank indebtedness is a courtesy overdraft provided by the bank. Interest is charged on the courtesy overdraft at Prime + 5.00% (Effective at 8%).

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

3. TAXES RECEIVABLES

Taxes receivable are comprised of:

	2014		2013
Current taxes and grants in place of taxes	\$ 18,536	\$	3,448
Arrears taxes and grants in place of taxes	16,279		20,378
	\$ 34,815	\$	23,826

4. GRANTS AND RECEIVABLE FROM OTHER GOVERNMENTS

Grants and other government receivables are comprised of:

	2014		2013
Municipal Sustainability Initiative - Capital	\$ 104,681	\$	11,787
Municipal Sustainability Initiative - Operating	8,835		-
Subtotal	113,516		11,787
Goods and Services Tax refundable	11,766		5,824
	\$ 125,282	\$	17,611

BMTG receivable in 2012 was 2013 allocation spent on approved projects in 2012 in advance.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 1,030,271	\$ -	\$ 1,030,271	\$ 1,030,271
Land improvements	52,096	27,896	24,200	27,673
Buildings	142,670	32,813	109,857	112,710
Machinery and equipment	42,660	30,388	12,272	14,160
Computer software	5,000	4,167	833	2,500
Furniture and fixtures	61,498	8,306	53,192	830
Engineered structures	2,550,728	1,656,300	894,428	943,392
	\$ 3,884,923	\$ 1,759,870	\$ 2,125,053	\$ 2,131,536

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

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

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2014	2013
Federal Gas Tax Fund	\$ 18,101	\$ 14,418
Alberta Municipal Infrastructure Program	18,617	18,617
Municipal Sustainability Initiative - Capital	82,871	85,850
Subtotal	119,589	118,885
Prepaid Property Taxes	17,031	-
	\$ 136,620	\$ 118,885

Federal Gas Tax Fund

Funding from the Federal Gas Tax Fund and is restricted to eligible capital projects, as approved under the funding agreement. Unexpended funds related to the advance are supported by restricted cash of \$18,101 held exclusively for these projects (refer to Note 2).

Alberta Municipal Infrastructure Program

The Alberta Municipal Infrastructure Program was restricted to eligible capital projects, as approved under the funding agreement. Unexpended funds related to the advance are supported by restricted cash of \$18,617 held exclusively for these projects (refer to Note 2).

Municipal Sustainability Initiative - Capital

The Municipal Sustainability Initiative - Capital is restricted to eligible capital projects, as approved under the funding agreement. Unexpended funds related to the advance are supported by restricted cash of \$82,871 held exclusively for these projects (refer to Note 2).

7. DEBT LIMITS

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

	2014	2013
Total debt limit	\$ 434,412	\$ 438,372
Amount of debt limit unused	434,412	438,372
Debt servicing limit	72,402	73,062
Amount of debt servicing limit unused	\$ 72,402	\$ 73,062

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 WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

8. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2014	2013
Tangible capital assets (Note 5)	\$ 3,884,923	\$ 3,831,731
Accumulated amortization (Note 5)	(1,759,870)	(1,700,195)
	\$ 2,125,053	\$ 2,131,536

9. SEGMENTED DISCLOSURE

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

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

10. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits & allowances (2)	2014 Total	2013 Total
Dave Breton - Councilor	\$ -	\$ -	\$ -	\$ 1,225
Brad Londeau - Councilor	750	-	750	1,500
Loretta Muir - Councilor	-	-	-	125
Lynne Worden - Councilor	1,050	-	1,050	450
Don Henderson - Councilor	1,425	-	1,425	450
Anita Blais - CAO	42,175	-	42,175	34,800
	\$ 45,400	\$ -	\$ 45,400	\$ 38,550

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 special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

11. RELATED PARTY TRANSACTIONS

The Summer Village made purchases of \$21,876 (2013 - \$3,780) for summer maintenance from a party that is related to the Chief Administrative Officer of the Summer Village.

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

12. FINANCIAL INSTRUMENTS

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

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

Credit risk

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

Fair value

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

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

13. CONTINGENT LIABILITY

The municipality is a member of the MUNIX Reciprocal Insurance Exchange. Under the terms of the membership, the municipality 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.

14. SUBSEQUENT EVENTS

Subsequent to the year end, the entire council of the Summer Village resigned. As a result, a Ministerial order was issued by the Alberta Government and representatives from Alberta Municipal Affairs are filling the positions as official administrators/acting council. This will be in force until August 31, 2015, or until by-elections can be held (which ever comes first).

15. APPROVAL OF FINANCIAL STATEMENTS

Representatives from Municipal Affairs acting as council have approved these financial statements.

16. COMPARATIVE FIGURES

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

17. BUDGET AMOUNTS

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