

SUMMER VILLAGE OF WEST COVE
Consolidated Financial Statements
Year Ended December 31, 2018

SUMMER VILLAGE OF WEST COVE
Index to Consolidated Financial Statements
Year Ended December 31, 2018

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Consolidated Schedule of Property and Other Taxes (<i>Schedule 1</i>)	7
Consolidated Schedule of Government Transfers (<i>Schedule 2</i>)	7
Consolidated Schedule of Consolidated Expenditures by Object (<i>Schedule 3</i>)	7
Consolidated Schedule of Segmented Disclosure (<i>Schedule 4</i>)	8
Consolidated Schedule of Changes in Accumulated Surplus (<i>Schedule 5</i>)	9
Notes to Consolidated Financial Statements	10 - 17

INDEPENDENT AUDITOR'S REPORT

To the Members of Councils of Summer Village of West Cove

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Summer Village as at December 31, 2018, and the results of its operations 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 Consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated 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 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.

(continues)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Edmonton, Alberta
April 25, 2019

Seniuk & Company
**Seniuk and Company,
Chartered Accountants**

SUMMER VILLAGE OF WEST COVE
Consolidated Statement of Financial Position
December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash (Note 2)	\$ 399,362	\$ 669,314
Temporary investments (Note 2)	-	40,000
Taxes receivable (Note 3)	21,954	61,033
Grants and receivables from other governments (Note 4)	82,284	8,745
Trade and other receivables	-	175
	\$ 503,600	\$ 779,267
LIABILITIES		
Accounts payable	\$ 56,502	\$ 38,916
Deferred income (Note 6)	60,727	369,678
	117,229	408,594
NET FINANCIAL ASSETS	386,371	370,673
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	2,128,702	1,992,099
Prepaid expenses	-	200
	2,128,702	1,992,299
ACCUMULATED SURPLUS	\$ 2,515,073	\$ 2,362,972

On behalf of Council

_____ Mayor

_____ CAO

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF WEST COVE
Consolidated Statement of Operations
Year Ended December 31, 2018

	Budget (Unaudited) 2018	2018	2017
REVENUE			
Net municipal taxes (Schedule 1)	\$ 293,300	\$ 292,757	\$ 285,835
User fees and sale of goods	5,200	4,804	3,602
Government transfers for operating (Schedule 2)	219,531	247,102	20,032
Investment income	-	5,554	625
Penalties and costs of taxes	8,794	12,274	8,967
Licenses and permits	2,000	1,276	1,705
Other	7,300	5,925	10,881
Total revenue	536,125	569,692	331,647
EXPENSES			
Administration and legislative	131,906	130,298	130,692
Fire service	11,315	11,566	11,315
Bylaw enforcement	10,400	9,503	10,399
Disaster and emergency measures	6,100	1,250	-
Roads, streets, walks and lighting	23,000	40,636	26,230
Water, wastewater and solid waste	260,519	281,469	51,422
Land use planning, zoning and development	14,000	7,204	9,285
Parks and recreation	78,885	71,718	86,300
Total operating expenses	536,125	553,644	325,643
Excess of revenue over expenses before other	-	16,048	6,004
OTHER INCOME (EXPENSES)			
Government transfers for capital	-	193,481	19,311
Amortization	-	(57,428)	(59,387)
	-	136,053	(40,076)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	152,101	(34,072)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	2,362,972	2,397,044
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 2,515,073	\$ 2,362,972

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, 2018

	2018	2017
Excess (Shortfall) of Revenues Over Expenses	\$ 152,101	\$ (34,072)
Acquisition of tangible capital assets	(194,031)	(19,311)
Amortization of tangible capital assets	57,428	59,387
	(136,603)	40,076
Use of prepaids	200	\$ 637
INCREASE (DECREASE) IN NET ASSETS	15,698	6,641
Net financial assets, beginning of year	370,673	364,032
NET FINANCIAL ASSETS, END OF YEAR	\$ 386,371	\$ 370,673

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, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 152,101	\$ (34,072)
Item not affecting cash:		
Amortization	57,428	59,387
	209,529	25,315
Changes in non-cash working capital:		
Taxes receivable	39,079	(2,660)
Grants and receivables from other governments	(73,539)	661
Trade and other receivables	175	2,010
Accounts payable	17,586	14,086
Deferred income	(308,951)	87,212
Prepaid expenses	200	637
	(325,450)	101,946
Cash flow from (used by) operating activities	(115,921)	127,261
INVESTING ACTIVITY		
Purchase of capital assets	(194,031)	(19,311)
INCREASE (DECREASE) IN CASH FLOW	(309,952)	107,950
Cash - beginning of year	709,314	601,364
CASH - END OF YEAR (Note 2)	\$ 399,362	\$ 709,314

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, 2018

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
TAXATION			
Real property tax	\$ 432,508	\$ 431,965	\$ 422,136
Linear property taxes	1,938	1,938	1,600
	434,446	433,903	423,736
REQUISITIONS			
Alberta School Foundation	130,186	130,186	127,144
Seniors' Housing	10,954	10,954	10,757
Designated Industrial	6	6	-
	141,146	141,146	137,901
NET MUNICIPAL TAXES	\$ 293,300	\$ 292,757	\$ 285,835

Consolidated Schedule of Government Transfers

(Schedule 2)

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
TRANSFERS FOR OPERATING			
Provincial Government	\$ 219,531	\$ 247,102	\$ 20,032
	219,531	247,102	20,032
TRANSFERS FOR CAPITAL			
Provincial Government	-	193,481	19,311
TOTAL GOVERNMENT TRANSFERS	\$ 219,531	\$ 440,583	\$ 39,343

Consolidated Schedule of Consolidated Expenditures by Object

(Schedule 3)

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
EXPENSES			
Salaries, wages & benefits	\$ 10,000	\$ 12,202	\$ 10,876
Contracted and general services	505,625	525,634	300,297
Materials, goods and utilities	16,450	15,167	13,950
Transfer to local boards and agencies	550	641	520
Total Consolidated Expenditures by Object	\$ 532,625	\$ 553,644	\$ 325,643

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, 2018**

(Schedule 4)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	2018
REVENUE								
Net municipal taxes	\$ 292,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,757
Government transfers - operating	10,587	-	-	-	208,043	28,472	-	247,102
User fees and sales of goods	310	-	-	-	3,213	-	-	3,523
Investment income	5,554	-	-	-	-	-	-	5,554
Other revenues	18,199	-	-	2,557	-	-	-	20,756
	327,407	-	-	2,557	211,256	28,472	-	569,692
EXPENSES								
Contract & general services	116,862	22,319	231,286	7,204	69,721	77,541	-	524,933
Salaries & wages	12,203	-	-	-	-	-	-	12,203
Materials, goods & utilities	1,503	-	12,478	-	1,086	800	-	15,867
Transfers to local boards	-	-	-	-	641	-	-	641
	130,568	22,319	243,764	7,204	71,448	78,341	-	553,644
Excess (deficiency) of revenue over expenses before other	196,839	(22,319)	(243,764)	(4,647)	139,808	(49,869)	-	16,048
OTHER								
Amortization	(4,419)	-	(44,065)	-	(1,834)	(7,110)	-	(57,428)
Government transfers - capital	1,000	-	28,630	-	29,800	134,051	-	193,481
	3,419	-	(15,435)	-	27,966	126,941	-	136,053
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 193,420	\$ (22,319)	\$ (259,199)	\$ (4,647)	\$ 167,774	\$ 77,072	-	\$ 152,101

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, 2018**

(Schedule 5)

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	Total	Total
					2018	2017
BALANCE, BEGINNING OF YEAR	\$ 313,873	\$ 12,000	\$ 45,000	\$ 1,992,099	\$ 2,362,972	\$ 2,397,044
Excess (deficiency) of revenues over expenses	152,101	-	-	-	152,101	(34,072)
Current year funds used for tangible capital assets	(194,031)	-	-	194,031	-	-
Annual amortization expense	57,428	-	-	(57,428)	-	-
	15,498	-	-	136,603	152,101	(34,072)
BALANCE, END OF YEAR	\$ 329,371	\$ 12,000	\$ 45,000	\$ 2,128,702	\$ 2,515,073	\$ 2,362,972

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, 2018

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 Chartered Professional Accountants of Canada. 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, 2018

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.

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.

(*continues*)

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

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.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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 Changes in Net Financial Assets (Debt) for the year.

(continues)

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

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

	2018	2017
Cash	\$ 399,169	\$ 305,944
Temporary investments	-	40,000
Restricted cash	193	363,370
	\$ 399,362	\$ 709,314

Temporary investments are short term deposits with original maturities of one year 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).

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2018		2017
Current taxes and grants in place of taxes	\$ 16,283	\$	21,073
Arrears taxes and grants in place of taxes	5,671		39,960
	\$ 21,954	\$	61,033

4. GRANTS AND RECEIVABLE FROM OTHER GOVERNMENTS

Grants and other government receivables are comprised of:

	2018		2017
Municipal Sustainability Initiative - Capital	\$ 58,061	\$	-
Goods and Services Tax refundable	24,223		8,745
	\$ 82,284	\$	8,745

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 1,030,271	\$ -	\$ 1,030,271	\$ 1,030,271
Land improvements	101,757	42,807	58,950	32,448
Buildings	220,947	50,131	170,816	175,235
Machinery and equipment	55,966	51,246	4,720	6,608
Engineered structures	2,579,358	1,850,464	728,894	747,537
Assets under construction	135,051	-	135,051	-
	\$ 4,123,350	\$ 1,994,648	\$ 2,128,702	\$ 1,992,099

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, 2018

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2018	2017
Federal Gas Tax Fund	\$ 193	\$ 28,665
Municipal Sustainability Initiative - Capital	<u>54,568</u>	<u>334,705</u>
Sub-total	54,761	363,370
Prepaid property taxes	5,966	6,308
	<u>\$ 60,727</u>	<u>\$ 369,678</u>

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 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 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:

	2018	2017
Total debt limit	\$ 854,538	\$ 497,471
Amount of debt limit unused	854,538	497,471
Debt servicing limit	142,423	82,912
Amount of debt servicing limit unused	\$ 142,423	\$ 82,912

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, 2018

8. 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).

9. 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:

			2018		2017	
	Salary (1)	Benefits & allowances (2)	Total		Total	
D. Breton - Councillor	\$ 1,834	\$ -	\$ 1,834	\$	2,475	
L. St. Amand - Councillor	3,617	-	3,617		4,575	
R. Giesbrecht - Councillor	2,750	-	2,750		3,825	
Chief Administrative Officer	67,386	-	67,386		66,000	
Designated Officer	7,204	-	7,204		9,285	
	\$ 82,791	\$ -	\$ 82,791	\$	86,160	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. The Chief Administrative Officer and Designated Officer are paid via contracted services.
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.

SUMMER VILLAGE OF WEST COVE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

10. 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.

11. COMMITMENTS

The Summer Village is part of the West Inter-Lake District (WILD) Regional Water Services Commission to provide water supply services to participating municipalities. The WILD Regional Water Services Commission has received funding approval for the Phase II design and construction costs. All participating municipalities are committed to contribute their proportionate share of construction costs as per the agreement terms. The Summer Village's share of costs is \$32,560 (2017 - \$4,041).

12. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

13. COMPARATIVE FIGURES

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

14. BUDGET AMOUNTS

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