

**SUMMER VILLAGE OF WEST COVE**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**SUMMER VILLAGE OF WEST COVE**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

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	Page
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Consolidated Schedule of Property and Other Taxes ( <i>Schedule 1</i> )	6
Consolidated Schedule of Government Transfers ( <i>Schedule 2</i> )	6
Consolidated Schedule of Consolidated Expenditures by Object ( <i>Schedule 3</i> )	6
Consolidated Schedule of Segmented Disclosure ( <i>Schedule 4</i> )	7
Consolidated Schedule of Changes in Accumulated Surplus ( <i>Schedule 5</i> )	8
Notes to Consolidated Financial Statements	9 - 16

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## INDEPENDENT AUDITOR'S REPORT

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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, 2017 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, 2017 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  
April 26, 2018

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

**SUMMER VILLAGE OF WEST COVE**  
**Consolidated Statement of Financial Position**  
**December 31, 2017**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 669,314	\$ 376,943
Term deposits (Note 2)	40,000	224,422
Taxes receivable (Note 3)	61,033	58,373
Grants and receivables from other governments (Note 4)	8,745	9,406
Trade and other receivables	175	2,185
	<b>\$ 779,267</b>	<b>\$ 671,329</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 38,915	\$ 24,831
Deferred income (Note 6)	369,678	282,466
	<b>408,593</b>	<b>307,297</b>
<b>NET FINANCIAL ASSETS</b>	<b>370,674</b>	<b>364,032</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	1,992,099	2,032,176
Prepaid expenses	200	837
	<b>1,992,299</b>	<b>2,033,013</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 2,362,973</b>	<b>\$ 2,397,045</b>
CONTINGENT LIABILITIES (Note 11)		

**On behalf of Council**

\_\_\_\_\_ Councilor

\_\_\_\_\_ 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, 2017**

	Budget (Unaudited) 2017	2017	2016
<b>REVENUE</b>			
Net municipal taxes (Schedule 1)	\$ 285,567	\$ 285,835	\$ 274,177
User fees and sale of goods	700	3,602	1,319
Government transfers for operating (Schedule 2)	15,989	20,032	19,170
Investment income	3,000	625	1,521
Penalties and costs of taxes	8,100	8,967	11,695
Licenses and permits	3,000	1,705	3,398
Other	7,800	10,881	536
<b>Total revenue</b>	<b>324,156</b>	<b>331,647</b>	<b>311,816</b>
<b>EXPENSES</b>			
Administration and legislative	132,100	130,693	209,638
Fire service	11,315	11,315	11,315
Bylaw enforcement	10,100	10,399	9,358
Disaster and emergency measures	1,500	-	-
Roads, streets, walks and lighting	36,000	26,230	25,001
Wastewater treatment and disposal	7,061	9,046	11,612
Waste management	42,800	42,376	40,390
Land use planning, zoning and development	15,000	9,285	25,359
Parks and recreation	77,730	85,779	76,761
Libraries, museums and halls	550	520	520
<b>Total operating expenses</b>	<b>334,156</b>	<b>325,643</b>	<b>409,954</b>
<b>Excess of revenue over expenses before other</b>	<b>(10,000)</b>	<b>6,004</b>	<b>(98,138)</b>
<b>OTHER INCOME (EXPENSES)</b>			
Government transfers for capital	10,000	19,311	-
Loss on disposal of assets	-	-	(12,229)
Amortization	-	(59,387)	(58,744)
	10,000	(40,076)	(70,973)
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>-</b>	<b>(34,072)</b>	<b>(169,111)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>2,397,045</b>	<b>2,566,156</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,362,973</b>	<b>\$ 2,397,045</b>

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, 2017**

	2017	2016
<b>Excess (Shortfall) of Revenues Over Expenses</b>	<b>\$ (34,072)</b>	<b>\$ (169,111)</b>
Acquisition of tangible capital assets	<b>(19,311)</b>	-
Amortization of tangible capital assets	<b>59,387</b>	58,744
(Gain) loss on disposal of assets	-	12,229
Use of prepaids	<b>638</b>	<b>\$ (749)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>6,642</b>	<b>(98,887)</b>
Net financial assets, beginning of year	<b>364,032</b>	462,919
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 370,674</b>	<b>\$ 364,032</b>

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, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (34,072)	\$ (169,111)
Items not affecting cash:		
Loss on disposal of assets	-	12,229
Amortization	59,387	58,744
	<b>25,315</b>	<b>(98,138)</b>
Changes in non-cash working capital:		
Taxes receivable	(2,660)	(8,569)
Grants and receivables from other governments	661	6,202
Trade and other receivables	2,010	198
Accounts payable	14,086	(12,737)
Deferred income	87,212	98,963
Prepaid expenses	637	(749)
	<b>101,946</b>	<b>83,308</b>
Cash flow from (used by) operating activities	<b>127,261</b>	<b>(14,830)</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(19,311)	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>107,950</b>	<b>(14,830)</b>
Cash - beginning of year	601,364	616,194
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 709,314</b>	<b>\$ 601,364</b>

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, 2017**

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
<b>TAXATION</b>			
Real property tax	\$ 421,710	\$ 422,136	\$ 408,188
Linear property taxes	1,600	1,600	1,540
	423,310	423,736	409,728
<b>REQUISITIONS</b>			
Alberta School Foundation	127,144	127,144	124,952
Seniors' housing requisition	10,599	10,757	10,599
	137,743	137,901	135,551
<b>NET MUNICIPAL TAXES</b>	\$ 285,567	\$ 285,835	\$ 274,177

**Consolidated Schedule of Government Transfers**

**(Schedule 2)**

**Year Ended December 31, 2017**

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 15,989	\$ 20,032	\$ 19,170
	15,989	20,032	19,170
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	10,000	19,311	-
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 25,989	\$ 39,343	\$ 19,170

**Consolidated Schedule of Consolidated Expenditures by Object**

**(Schedule 3)**

**Year Ended December 31, 2017**

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 12,500	\$ 10,876	\$ 12,151
Contracted and general services	310,886	300,297	385,133
Materials, goods and utilities	15,400	13,950	12,150
Transfer to local boards and agencies	550	520	520
<b>Total Consolidated Expenditures by Object</b>	\$ 339,336	\$ 325,643	\$ 409,954

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, 2017**

*(Schedule 4)*

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	<b>2017</b>
<b>REVENUE</b>								
Net municipal taxes	\$ 285,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,835
Government transfers - operating	12,768	-	-	-	2,000	-	5,264	20,032
User fees and sales of goods	325	-	-	-	-	-	-	325
Investment income	621	-	-	-	-	-	-	621
Other revenues	19,847	-	-	4,982	-	-	-	24,829
	319,396	-	-	4,982	2,000	-	5,264	331,642
<b>EXPENSES</b>								
Contract & general services	119,224	21,714	14,524	9,285	85,029	50,517	-	300,293
Salaries & wages	10,875	-	-	-	-	-	-	10,875
Materials, goods & utilities	589	-	11,706	-	750	905	-	13,950
Transfers to local boards	-	-	-	-	520	-	-	520
	130,688	21,714	26,230	9,285	86,299	51,422	-	325,638
<b>Excess (deficiency) of revenue over expenses before other</b>	188,708	(21,714)	(26,230)	(4,303)	(84,299)	(51,422)	5,264	6,004
<b>OTHER</b>								
Amortization	-	-	(46,777)	-	(3,087)	(9,523)	-	(59,387)
Government transfers - capital	-	-	19,311	-	-	-	-	19,311
	-	-	(27,466)	-	(3,087)	(9,523)	-	(40,076)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 188,708	\$ (21,714)	\$ (53,696)	\$ (4,303)	\$ (87,386)	\$ (60,945)	\$ 5,264	\$ (34,072)

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, 2017**

*(Schedule 5)*

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	<b>Total</b>	Total
					<b>2017</b>	2016
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 307,869	\$ 12,000	\$ 45,000	\$ 2,032,176	\$ <b>2,397,045</b>	\$ 2,566,156
Excess (deficiency) of revenues over expenses	(34,072)	-	-	-	<b>(34,072)</b>	(169,111)
Current year funds used for tangible capital assets	(19,311)	-	-	19,311	-	-
Annual amortization expense	59,387	-	-	(59,387)	-	-
	6,004	-	-	(40,076)	<b>(34,072)</b>	(169,111)
<b>BALANCE, END OF YEAR</b>	\$ 313,873	\$ 12,000	\$ 45,000	\$ 1,992,100	\$ <b>2,362,973</b>	\$ 2,397,045

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, 2017**

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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.

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**SUMMER VILLAGE OF WEST COVE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

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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.

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**SUMMER VILLAGE OF WEST COVE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

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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.

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**SUMMER VILLAGE OF WEST COVE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

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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

	<b>2017</b>	2016
Cash	<b>\$ 305,944</b>	\$ 101,364
Temporary investments	<b>40,000</b>	224,422
Restricted cash	<b>363,370</b>	275,578
	<b>\$ 709,314</b>	\$ 601,364

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, 2017**

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2017		2016
Current taxes and grants in place of taxes	\$ 21,073	\$	25,389
Arrears taxes and grants in place of taxes	39,960		32,984
	<b>\$ 61,033</b>	<b>\$</b>	<b>58,373</b>

4. GRANTS AND RECEIVABLE FROM OTHER GOVERNMENTS

Grants and other government receivables are comprised of:

	2017		2016
Goods and Services Tax refundable	\$ 8,745	\$	9,406

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	\$ 1,030,271	\$ -	\$ 1,030,271	\$ 1,030,271
Land improvements	71,407	38,959	32,448	17,254
Buildings	220,947	45,712	175,235	179,654
Machinery and equipment	42,660	36,052	6,608	8,496
Computer software	5,000	5,000	-	-
Furniture and fixtures	8,306	8,306	-	-
Engineered structures	2,550,728	1,803,191	747,537	796,501
	<b>\$ 3,929,319</b>	<b>\$ 1,937,220</b>	<b>\$ 1,992,099</b>	<b>\$ 2,032,176</b>

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, 2017**

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2017	2016
Federal Gas Tax Fund	\$ 28,665	\$ 16,920
Municipal Sustainability Initiative - Capital	<u>334,705</u>	<u>258,658</u>
Sub-total	363,370	275,578
Prepaid property taxes	6,308	6,888
	<u>\$ 369,678</u>	<u>\$ 282,466</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:

	2017	2016
Total debt limit	\$ 497,471	\$ 467,724
Amount of debt limit unused	497,471	467,724
Debt servicing limit	82,912	77,954
Amount of debt servicing limit unused	\$ 82,912	\$ 77,954

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, 2017**

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:

			<b>2017</b>		<b>2016</b>	
	Salary (1)	Benefits & allowances (2)	<b>Total</b>		<b>Total</b>	
D. Breton - Councillor	\$ 2,475	\$ -	\$ <b>2,475</b>	\$	3,000	
L. St. Amand - Councillor	4,575	-	<b>4,575</b>		4,650	
R. Giesbrecht - Councillor	3,825	-	<b>3,825</b>		4,500	
Chief Administrative Officer	66,000	-	<b>66,000</b>		66,390	
	\$ 76,875	\$ -	\$ <b>76,875</b>	\$	78,540	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. The Chief Administrative Officer is 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.

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.

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**SUMMER VILLAGE OF WEST COVE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

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10. FINANCIAL INSTRUMENTS *(continued)*

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. CONTINGENT LIABILITIES

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.

12. COMMITMENTS

The Summer Village has the following commitment:

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 future share of costs is estimated at \$28,575.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

14. COMPARATIVE FIGURES

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

15. BUDGET AMOUNTS

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