

**Summer Village of
Sundance Beach
Financial Statements**

December 31, 2013



SUMMER VILLAGE OF SUNDANCE BEACH

P.O. Box 658
Thorsby, Alberta, Canada T0C 2P0
780-985-2441

Management's Responsibility

To the Mayor and Councillors of the Summer Village of Sundance Beach:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of individuals who are neither management nor employees of the Summer Village. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for the appointment of the Summer Village's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

September 5, 2014

Chief Administrative Officer

Independent Auditors' Report

To the Mayor and Councillors of the Summer Village of Sundance Beach:

We have audited the accompanying financial statements of the Summer Village of Sundance Beach, which comprise the statement of financial position at December 31, 2013, the statements of operations, change in net financial assets, cash flows, and schedules I through VI for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Summer Village of Sundance Beach as at December 31, 2013, and the results of its operations, change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

September 5, 2014
Leduc, Alberta


Chartered Accountants

Summer Village of Sundance Beach
Statement of Financial Position

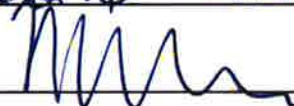
As at December 31, 2013

	2013	2012
Financial assets		
Cash and equivalents (Note 3)	584,094	267,377
Property taxes receivable (Note 4)	20,259	31,508
Trade and other accounts receivable	182,233	144,578
	786,586	443,463
Liabilities		
Accounts payable and accrued liabilities	100,603	50,293
Deferred revenue (Note 5)	617,862	227,997
	718,465	278,290
Net financial assets	68,121	165,173
Non-financial assets		
Tangible capital assets (Schedule II)	1,339,169	1,088,452
Prepaid expenses	30,117	3,587
	1,369,286	1,092,039
Accumulated surplus (Schedule I)	1,437,407	1,257,212

Contingencies (Note 9)

Approved on behalf of Council:

 _____ Mayor

 _____ Councillor

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Statement of Operations

For the year ended December 31, 2013

	2013 Budget	2013	2012
Revenue			
Net municipal property taxes <i>(Schedule III)</i>	165,246	165,175	155,316
Government transfers <i>(Schedule IV)</i>	11,375	86,375	27,778
User charges and costs	6,390	8,659	6,815
Penalties and costs on taxes	5,000	3,815	7,419
Fines	1,400	437	1,510
Interest income	100	362	1,032
Rental	500	360	200
	190,011	265,183	200,070
Expenses			
Administrative	88,250	141,298	109,766
Protective services	31,000	33,419	42,521
Water, wastewater and waste management	50,300	30,914	22,560
Parks and recreation	36,590	28,618	26,041
Legislative	20,500	27,630	39,499
Roads, streets, and equipment	13,000	19,654	18,791
Planning and development	500	331	416
	240,140	281,864	259,594
Deficiency of revenue before other	(50,129)	(16,681)	(59,524)
Other			
Government transfers for capital <i>(Schedule IV)</i>	531,621	196,876	54,936
Excess (deficiency) of revenue over expenses	481,492	180,195	(4,588)
Accumulated surplus, beginning of year	1,257,212	1,257,212	1,261,800
Accumulated surplus, end of year	1,738,704	1,437,407	1,257,212

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Statement of Change in Net Financial Assets

For the year ended December 31, 2013

	2013 Budget	2013	2012
Excess (deficiency) of revenue over expenses	481,492	180,195	(4,588)
Acquisition of tangible capital assets	(573,231)	(261,471)	(91,162)
Contributed tangible capital assets	-	(1,000)	-
Amortization of tangible capital assets	-	11,754	11,231
Use (acquisition) of prepaid assets	-	(26,530)	(3,587)
Decrease in net financial assets	(91,739)	(97,052)	(88,106)
Net financial assets, beginning of year	165,173	165,173	253,279
Net financial assets, end of year	73,434	68,121	165,173

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Statement of Cash Flows
For the year ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Cash provided by (used for) the following activities:		
Operating		
Excess (deficiency) of revenue over expenses	180,195	(4,588)
Non-cash items:		
Amortization of tangible capital assets	11,754	11,231
Net change in non-cash operating working capital balances:		
Increase in deferred revenue	389,865	3,938
Increase in prepaid expenses	(26,530)	(3,587)
Increase (decrease) in accounts payable and accrued liabilities	(10,690)	33,976
Increase in trade and other accounts receivable	(37,655)	(42,617)
Decrease (increase) in property taxes receivable	11,249	(1,680)
	<u>518,188</u>	<u>(3,327)</u>
Capital		
Acquisition of tangible capital assets <i>(Schedule II)</i>	(201,471)	(91,162)
Financing		
Increase in restricted cash	(26,400)	(26,399)
Increase (decrease) in cash and equivalents	290,317	(120,888)
Cash and equivalents, beginning of year	85,334	206,222
Cash and equivalents, end of year <i>(Note 3)</i>	375,651	85,334

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Schedule I - Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2013

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets</i>	<i>2013</i>	<i>2012</i>
Balance, beginning of year	(53,418)	222,178	1,088,452	1,257,212	1,261,800
Excess of revenue over expenses	180,195	-	-	180,195	(4,588)
Current year funds used for tangible capital assets	(261,471)	-	261,471	-	-
Contributed tangible capital assets	(1,000)	-	1,000	-	-
Annual amortization expense	11,754	-	(11,754)	-	-
Change in accumulated surplus	(70,522)	-	250,717	180,195	(4,588)
Balance, end of year	(123,940)	222,178	1,339,169	1,437,407	1,257,212

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Schedule II - Schedule of Tangible Capital Assets
For the year ended December 31, 2013

	<i>Land</i>	<i>Buildings</i>	<i>Engineered structures</i>	<i>Machinery & equipment</i>	<i>Construction in progress</i>	<i>2013</i>	<i>2012</i>
Cost:							
Balance, beginning of year	904,200	71,196	255,233	41,063	52,782	1,324,474	1,233,312
Acquisition of tangible capital assets	-	-	87,398	5,148	169,925	262,471	38,380
Construction-in-progress	-	-	-	-	-	-	52,782
Balance, end of year	904,200	71,196	342,631	46,211	222,707	1,586,945	1,324,474
Accumulated amortization:							
Balance, beginning of year	-	70,352	159,741	5,929	-	236,022	224,791
Annual amortization	-	844	3,607	7,303	-	11,754	11,231
Balance, end of year	-	71,196	163,348	13,232	-	247,776	236,022
Net book value	904,200	-	179,283	32,979	222,707	1,339,169	1,088,452
2012 net book value	904,200	844	95,492	35,134	52,782	1,088,452	

During the year, tangible capital assets were acquired at an aggregate cost of \$262,471 (2012 - \$91,162), of which \$1,000 (2012 - \$0) was acquired as contributed assets, \$60,000 (2012 - \$0) was in accounts payable at yearend and the remaining \$201,471 (2012 - \$91,162) was acquired by cash.

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Schedule III - Schedule of Property Taxes Levied

For the year ended December 31, 2013

	2013 Budget	2013	2012
Taxation			
Real property taxes	323,804	165,028	154,907
Requisitions	-	158,713	168,697
Linear property taxes	218	211	218
	324,022	323,952	323,822
Requisitions			
Education requisition	158,776	158,777	168,506
Net municipal property taxes	165,246	165,175	155,316

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Schedule IV - Schedule of Government Transfers
For the year ended December 31, 2013

	2013 Budget	2013	2012
Operating			
Provincial	11,375	86,375	27,778
Capital			
Provincial	528,639	194,003	54,936
Federal	2,982	2,873	-
	531,621	196,876	54,936
Total government transfers	542,996	283,251	82,714

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Schedule V - Schedule of Expenses by Object

For the year ended December 31, 2013

	2013		
	Budget	2013	2012
Expenses by object			
Contracted and general services	169,300	188,847	150,669
Materials, goods and utilities	46,240	48,703	56,306
Salaries, wages and benefits	24,600	31,897	40,905
Amortization of tangible capital assets	-	11,754	11,231
Bank charges and short-term interest	-	663	483
	240,140	281,864	259,594

The accompanying notes are an integral part of these financial statements

Summer Village of Sundance Beach
Schedule VI - Schedule of Segmented Disclosure
For the year ended December 31, 2013

	General Government	Legislative	Administration	Protective services	Roads, streets and equipment	Water, wastewater, waste management	Planning and development	Parks and recreation	Total
Revenue									
Government transfers	-	-	75,000	-	63,128	87,398	57,725	-	283,251
Net municipal taxes	165,175	-	-	-	-	-	-	-	165,175
User charges and costs	-	-	8,609	-	-	-	50	-	8,659
Penalties and costs on taxes	-	-	3,815	-	-	-	-	-	3,815
Fines	-	-	437	-	-	-	-	-	437
Interest income	-	-	362	-	-	-	-	-	362
Rental	-	-	-	-	-	-	-	360	360
	165,175	-	88,223	-	63,128	87,398	57,775	360	462,059
Expenses									
Contracted and general services	-	7,634	112,206	32,575	2,160	28,950	331	4,991	188,847
Materials, goods, and utilities	-	1,571	28,429	844	5,740	1,964	-	10,155	48,703
Salaries, wages, and benefits	-	18,425	-	-	-	-	-	13,472	31,897
Bank charges and short-term interest	-	-	663	-	-	-	-	-	663
	-	27,630	141,298	33,419	7,900	30,914	331	28,618	270,110
Net revenue, before amortization	165,175	(27,630)	(53,075)	(33,419)	55,228	56,484	57,444	(28,258)	191,949
Amortization expense	-	-	-	-	11,754	-	-	-	11,754
Net revenue	165,175	(27,630)	(53,075)	(33,419)	43,474	56,484	57,444	(28,258)	180,195

Summer Village of Sundance Beach Notes to the Financial Statements

For the year ended December 31, 2013

1. Significant accounting policies

The financial statements of the Summer Village of Sundance Beach (the "Summer Village") are the representations of management prepared in accordance with generally accepted accounting principles 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, revenue, expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations.

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 financial 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 of 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.

Use of estimates

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

Trade and other accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Cash and equivalents

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Summer Village of Sundance Beach
Notes to the Financial Statements

For the year ended December 31, 2013

1. Significant accounting policies (continued)

Revenue recognition

i. Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal year are reflected as deferred revenue on the statement of financial position in the year of receipt.

ii. 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.

The Summer Village recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Summer Village recognizes revenue as the liability is settled.

iii. Tax revenue

The Summer Village recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Summer Village evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

iv. Other revenue

Other sources of revenue are recorded when received or receivable.

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

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:

	<u>Rate</u>
Buildings	10 years
Engineered structures	20-40 years
Machinery and equipment	10 years

Summer Village of Sundance Beach Notes to the Financial Statements

For the year ended December 31, 2013

1. Significant accounting policies *(continued)*

Amortization is not charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

ii. Prepaid expenses

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Segments

The Summer Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Summer Village's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

Recent accounting pronouncements

i. Liability for contaminated sites

In June 2010, the Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Summer Village does not expect the adoption of the new section to have a material impact on its financial statements.

ii. Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted. The PSAB plans to review application of this Section by governments by December 31, 2013.

The Summer Village does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

iii. Financial statement presentation

In June 2011, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting Board (PSAB) issued new Section PS 1201 Financial Statement Presentation, which revises and replaces Section PS 1200 Financial Statement Presentation. The main features of the new standard are:

- Remeasurement gains and losses are reported in a new statement: the statement of remeasurement gains and losses;
- Other comprehensive income arising when a government includes the results of government business enterprises and government business partnerships in its financial statements, is reported in the statement of remeasurement gains and losses;

Summer Village of Sundance Beach
Notes to the Financial Statements

For the year ended December 31, 2013

1. Significant accounting policies *(continued)*

- Accumulated surplus or deficit is presented as the total of the accumulated operating surplus or deficit and the accumulated remeasurement gains and losses.

This section is effective for governments in the same period PS 3450 is adopted. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. The application of PS 3450 by governments will be reviewed by the PSAB by December 31, 2013. Early adoption is permitted.

The Summer Village does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

2. Change in accounting policy

Effective January 1, 2013, the Summer Village adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, presentation and disclosure of government transfers under newly issued PS 3410 Government Transfers. Pursuant to these recommendations, the change was applied prospectively.

Previously, a government transfer was recognized in the period in which the events giving rise to the transfer occurred, provided the transfer was authorized, any eligibility criteria had been met, and a reasonable estimate of the amount could be made. Newly issued PS 3410 requires recognition of government transfers as revenue when the transfer is authorized and all eligibility criteria, if any, have been met, unless the existence of stipulations on the transfer creates a liability.

There was no material impact on the consolidated financial statements for the prospective application of the new accounting recommendations.

3. Cash and equivalents

	2013	2012
Restricted cash - sewer levies <i>(Note 5)</i>	208,443	182,043
Cash	375,651	85,334
	584,094	267,377

Restricted cash consists of sewer levies collected from the ratepayers to be used for future sewer construction project. These funds are held by the Summer Village on behalf of the rate payers. In the event the construction project does not proceed, the funds will be returned to the rate payers. The amount is offset by deferred revenue of \$208,443 (2012 - \$182,043). The restricted cash is not included in cash and equivalents on the statement of cash flows.

4. Property taxes receivable

	2013	2012
Current taxes	13,403	28,064
Arrears taxes	6,856	3,444
	20,259	31,508
Less allowance for doubtful accounts	-	-
	20,259	31,508

Summer Village of Sundance Beach
Notes to the Financial Statements

For the year ended December 31, 2013

5. Deferred revenue

	2013	2012
Sewer Levy (<i>Note 3</i>)	208,443	182,043
Municipal Sustainability Initiative capital grant	352,070	24,178
Alberta Municipal Infrastructure Program capital grant	53,102	17,529
Miscellaneous	4,247	4,247
	617,862	227,997

Funding in the amount of \$352,070 was received from the Municipal Sustainability Initiative, and \$53,102 was received from the Alberta Municipal Infrastructure Grant. All of the funds received, including interest earned, are restricted to eligible capital projects, as approved under the funding agreements, which are scheduled for completion in 2014.

6. 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 be disclosed as follows:

	2013	2012
Total debt limit	397,775	300,105
Total debt	-	-
Amount of debt limit unused	397,775	300,105
Service on debt limit	66,296	50,018
Service on debt	-	-
Amount of debt servicing limit unused	66,296	50,018

The debt limit is calculated at 1.5 times revenue of the Summer Village (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Summer Village. Rather, the financial statements must be interpreted as a whole.

7. Equity in tangible capital assets

	2013	2012
Tangible capital assets (<i>Schedule II</i>)	1,586,945	1,324,474
Accumulated amortization (<i>Schedule II</i>)	(247,776)	(236,022)
	1,339,169	1,088,452

Summer Village of Sundance Beach
Notes to the Financial Statements

For the year ended December 31, 2013

8. Salary and benefits disclosure

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

	Salary	Benefits & allowances	2013	2012
Mayor Pellatt	8,200	-	8,200	12,150
Councillor Waterhouse	6,425	-	6,425	8,775
Councillor Harris	2,800	-	2,800	7,675
Councilor Miller	1,000	-	1,000	-
Summer Village CAO	46,000	-	46,000	33,750

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

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including RRSP's, dental coverage, vision coverage, group life insurance and accidental disability and dismemberment insurance.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits.

The Summer Village CAO is paid as a contractor and therefore the above amount is included in contracted and general services.

9. Contingencies

The Summer Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Summer Village 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.

10. Commitments

The Summer Village has entered into a contract related to construction management services for the Sundance Beach Community Centre in the amount of \$240,000, of which, \$90,000 has been spent by December 31, 2013.

The Summer Village has also entered into a fire service agreement with the following commitments over the next five years:

2014	7,650
2015	7,880
2016	8,116
2017	8,359
2018	8,610

Summer Village of Sundance Beach
Notes to the Financial Statements

For the year ended December 31, 2013

11. Segments

The Summer Village provides a range of services to its ratepayers. For each reported segment, the revenue 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 Schedule VI - Schedule of Segmented Disclosure.

12. Budget information

The disclosed budget information has been approved by Council.

13. Non-compliance with laws and regulations

The Summer Village is required to submit its financial statements to Alberta Municipal Affairs by May 1, 2014. As the audit report is dated after this date, the Summer Village is in violation of this requirement. The possible effect of this violation has not yet been determined.