

**Summer Village of
Silver Beach
Financial Statements**

December 31, 2013

Management's Responsibility

To the Mayor and Councillors of the Summer Village of Silver 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 25, 2014



Chief Administrative Officer

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Summer Village of Silver 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 Silver 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 25, 2014
Leduc, Alberta

MNP LLP
Chartered Accountants

Summer Village of Silver Beach
Statement of Financial Position

As at December 31, 2013

	2013	2012
Financial assets		
Cash	551,344	502,814
Investments (Note 3)	5,000	5,000
Property taxes receivable (Note 4)	2,581	10,076
Trade and other accounts receivable (Note 5)	71,231	87,157
	630,156	605,047
Liabilities		
Accounts payable and accrued liabilities	31,737	37,531
Deposit liabilities	7,760	5,000
Deferred revenue (Note 6)	288,389	277,456
Landfill closure liability (Note 7)	60,507	60,507
	388,393	380,494
Net financial assets	241,763	224,553
Non-financial assets		
Tangible capital assets (Schedule II)	1,369,194	1,395,054
Prepaid expenses	601	2,759
	1,369,795	1,397,813
Accumulated surplus (Schedule I)	1,611,558	1,622,366

Contingencies (Note 8)

Commitments (Note 9)

Approved on behalf of Council:


_____ Mayor


_____ Councillor

The accompanying notes are an integral part of these financial statements

Summer Village of Silver Beach
Statement of Operations

For the year ended December 31, 2013

	2013 Budget	2013	2012
Revenue			
Sales, user charges and costs	199,400	201,556	303,149
Net municipal property taxes <i>(Schedule III)</i>	184,833	185,406	160,882
Government transfers <i>(Schedule IV)</i>	11,307	93,926	17,763
Franchise fees	8,125	9,750	8,125
Fines	750	1,361	952
Licenses and permits	4,000	947	2,150
Penalties and costs on taxes	3,000	777	2,160
Other	500	637	963
Interest income	-	234	2,200
	411,915	494,594	498,344
Expenses			
Protective services	243,072	257,307	334,661
Administrative	89,550	135,207	132,035
Wastewater	39,665	39,630	40,443
Roads, streets, walks and lighting	10,500	23,996	20,466
Waste management	15,500	18,460	14,557
Planning and development	500	14,461	387
Parks and recreation	15,400	11,525	15,617
Legislative	5,650	4,704	7,244
Library	350	112	-
	420,187	505,402	565,410
Deficiency of revenue before other	(8,272)	(10,808)	(67,066)
Other			
Government transfers for capital <i>(Schedule IV)</i>	226,524	-	116,087
Excess (deficiency) of revenue over expenses	218,252	(10,808)	49,021
Accumulated surplus, beginning of year	1,622,366	1,622,366	1,573,345
Accumulated surplus, end of year	1,840,618	1,611,558	1,622,366

The accompanying notes are an integral part of these financial statements

Summer Village of Silver 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	218,252	(10,808)	49,021
Acquisition of tangible capital assets	(226,524)	-	(144,117)
Amortization of tangible capital assets	-	25,860	20,254
Use (acquisition) of prepaid assets	-	2,158	(2,009)
Increase (decrease) in net financial assets	(8,272)	17,210	(76,851)
Net financial assets, beginning of year	224,553	224,553	301,404
Net financial assets, end of year	216,281	241,763	224,553

The accompanying notes are an integral part of these financial statements

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

	2013	2012
Cash provided by (used for) the following activities:		
Operating		
Excess (deficiency) of revenue over expenses	(10,808)	49,021
Non-cash items:		
Amortization of tangible capital assets	25,860	20,254
Provision for allowances	14,460	-
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	10,933	(21,307)
Decrease (increase) in prepaid expenses	2,158	(2,009)
Increase (decrease) in accounts payable and accrued liabilities	(5,794)	12,067
Decrease in trade and other accounts receivable	1,466	80,892
Decrease (increase) in property taxes receivable	7,495	(4,500)
Increase in deposit liabilities	2,760	-
	48,530	134,418
Capital		
Acquisition of tangible capital assets <i>(Schedule II)</i>	-	(144,117)
Increase (decrease) in cash	48,530	(9,699)
Cash, beginning of year	502,814	512,513
Cash, end of year	551,344	502,814

The accompanying notes are an integral part of these financial statements

Summer Village of Silver 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	196,285	31,027	1,395,054	1,622,366	1,573,345
Excess (deficiency) of revenue over expenses	(10,808)	-	-	(10,808)	49,021
Annual amortization expense	25,860	-	(25,860)	-	-
Change in accumulated surplus	15,052	-	(25,860)	(10,808)	49,021
Balance, end of year	211,337	31,027	1,369,194	1,611,558	1,622,366

The accompanying notes are an integral part of these financial statements

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

	<i>Land</i>	<i>Land Improvements</i>	<i>Buildings</i>	<i>Engineered Structures</i>	<i>Machinery & Equipment</i>	<i>Vehicles</i>	<i>Construction in Progress</i>	<i>2013</i>	<i>2012</i>
Cost:									
Balance, beginning of year	1,025,380	27,150	8,500	596,871	28,030	52,992	235,734	1,974,657	1,830,540
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	144,117
Balance, end of year	1,025,380	27,150	8,500	596,871	28,030	52,992	235,734	1,974,657	1,974,657
Accumulated amortization:									
Balance, beginning of year	-	17,523	4,590	534,413	-	23,077	-	579,603	559,349
Annual amortization	-	1,719	340	11,356	5,606	6,839	-	25,860	20,254
Balance, end of year	-	19,242	4,930	545,769	5,606	29,916	-	605,463	579,603
Net book value	1,025,380	7,908	3,570	51,102	22,424	23,076	235,734	1,369,194	1,395,054
2012 net book value	1,025,380	9,627	3,910	182,105	28,030	29,915	116,087	1,395,054	

The accompanying notes are an integral part of these financial statements

Summer Village of Silver Beach
Schedule III - Schedule of Property Taxes Levied
For the year ended December 31, 2013

	2013 Budget	2013	2012
Taxation			
Real property taxes	184,446	184,008	160,492
Requisitions	249,847	250,459	287,694
Non-residential and linear property taxes	387	786	387
	434,680	435,253	448,573
Requisitions			
Alberta School Foundation Fund	249,847	249,847	287,691
Net municipal property taxes	184,833	185,406	160,882

The accompanying notes are an integral part of these financial statements

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

	2013 Budget	2013	2012
Operating			
Provincial	11,307	93,926	17,763
Capital			
Provincial	203,667	-	116,087
Federal	22,857	-	-
	226,524	-	116,087
Total government transfers	237,831	93,926	133,850

The accompanying notes are an integral part of these financial statements

Summer Village of Silver Beach
Schedule V - Schedule of Expenses by Object
For the year ended December 31, 2013

	2013 Budget	2013	2012
Expenses by object			
Salaries, wages and benefits	207,972	223,849	280,725
Contracted and general services	165,715	198,261	197,848
Materials and goods	46,000	42,076	64,336
Amortization of tangible capital assets	-	25,860	20,254
Provision for allowances	-	14,460	-
Bank charges and short-term interest	500	896	2,247
	420,187	505,402	565,410

The accompanying notes are an integral part of these financial statements

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

	General Government	Administration	Legislative	Environmental services	Protective services	Fire	Roads, streets, Library walks & lighting	Parks and recreation	Planning & development	Total	
Revenue											
Sale, user charges, and costs	-	175	-	-	201,149	-	-	-	232	201,556	
Net municipal taxes	185,406	-	-	-	-	-	-	-	-	185,406	
Government transfers	-	86,307	-	-	-	-	-	-	7,619	93,926	
Franchise fees	-	9,750	-	-	-	-	-	-	-	9,750	
Fines	-	345	-	-	1,016	-	-	-	-	1,361	
Licenses and permits	-	-	-	-	-	-	-	-	947	947	
Penalties and costs on taxes	-	777	-	-	-	-	-	-	-	777	
Other	-	637	-	-	-	-	-	-	-	637	
Interest income	-	234	-	-	-	-	-	-	-	234	
	185,406	98,225	-	-	202,165	-	-	-	8,798	494,594	
Expenses											
Salaries, wages, and benefits	-	-	4,050	-	214,541	-	-	5,258	-	223,849	
Contracted and general services	-	108,347	654	58,090	3,858	6,344	-	2,880	3,627	198,261	
Materials and goods	-	5,898	-	-	29,485	-	112	5,625	956	42,076	
Provision for allowances	-	14,460	-	-	-	-	-	-	-	14,460	
Bank charges and short-term interest	-	896	-	-	-	-	-	-	-	896	
	-	129,601	4,704	58,090	247,884	6,344	112	8,505	9,841	479,542	
Net revenue, before amortization	185,406	(31,376)	(4,704)	(58,090)	(45,719)	(6,344)	(112)	(8,505)	(9,841)	(5,663)	15,052
Amortization expense	-	5,606	-	-	3,079	-	-	15,491	1,684	-	25,860
Internal transfer	-	(12,474)	-	-	12,474	-	-	-	-	-	-
Net revenue	185,406	(24,508)	(4,704)	(58,090)	(61,272)	(6,344)	(112)	(23,996)	(11,525)	(5,663)	(10,808)

1. Significant accounting policies

The financial statements of the Summer Village of Silver Beach (the "Summer Village") are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") 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 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. Landfill closure liability is based on engineer's estimates of costs to close the landfill.

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.

Landfill closure liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Summer Village is required to fund the closure of its landfill site. Closure activities include the final soil cover and landscaping.

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.

Summer Village of Silver Beach
Notes to the Financial Statements
For the year ended December 31, 2013

1. Significant accounting policies *(continued)*

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>
Land improvements	15-20 years
Buildings	25 years
Engineered structures	10-40 years
Machinery and equipment	5 years
Vehicles	5-10 years

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

1. Significant accounting policies *(continued)*

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;
- 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. Early adoption is permitted.

The Summer Village does not expect the adoption of the new section to have a material impact on its 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 financial statements for the prospective application of the new accounting recommendations.

3. Investments

The Summer Village placed \$5,000 in trust as security for its obligations under an agreement with the County of Wetaskiwin dated August 1978. Under this agreement, the Summer Village was to complete local improvements for a planned subdivision, however, the development never commenced and the funds are being held in a guaranteed income certificate until the work is done.

Summer Village of Silver Beach
Notes to the Financial Statements
For the year ended December 31, 2013

4. Property taxes receivable

	2013	2012
Current taxes	2,200	6,865
Arrears taxes	381	3,211
	2,581	10,076

5. Trade and other accounts receivable

	2013	2012
Due from governments	83,894	86,313
Trade and other accounts receivables	1,797	844
Less allowance for doubtful accounts	(14,460)	-
	71,231	87,157

6. Deferred revenue

	2013	2012
Municipal Sustainability Initiative	258,848	258,848
Basic Municipal Transportation Grant	19,155	9,423
Prepaid taxes	10,386	9,185
	288,389	277,456

The funds received are restricted to eligible capital projects, as approved under the funding agreements, which are scheduled for completion in 2014. Prepaid taxes includes municipal property taxes paid in advance.

7. Landfill closure liability

Alberta environmental law requires closure care of landfill sites, which includes final covering and landscaping. The estimated total liability is based on the cubic metres in place which is 2,770.

8. 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.

Summer Village of Silver Beach
Notes to the Financial Statements
For the year ended December 31, 2013

9. Commitments

The Summer Village has entered into various service agreements with annual payments as follows:

2014	29,957
2015	19,838
2016	20,022
2017	8,671
2018	6,719

10. 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 Silver Beach be disclosed as follows:

	2013	2012
Total debt limit	741,891	747,515
Total debt	-	-
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Amount of debt limit unused	741,891	747,515
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Service on debt limit	123,649	124,586
Service on debt	-	-
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Amount of debt servicing limit unused	123,649	124,586

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.

11. Equity in tangible capital assets

	2013	2012
Tangible capital assets (<i>Schedule II</i>)	1,974,657	1,974,657
Accumulated amortization (<i>Schedule II</i>)	(605,463)	(579,603)
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	1,369,194	1,395,054

12. 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:

Summer Village of Silver Beach
Notes to the Financial Statements
For the year ended December 31, 2013

12. Salary and benefits disclosure (continued)

	Salary	Benefits & allowances	2013	2012
Mayor Watt	1,950	-	1,950	2,475
Councillor Hill	1,350	-	1,350	1,950
Councillor Martinson	750	-	750	-
Councillor Clough	-	-	-	1,725
Chief Administrative Officer	45,000	-	45,000	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.

13. Local Authorities Pension Plan

Employees of the Summer Village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 214,328 people and 423 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for the current service are recorded as expenses in the year in which they become due.

The Summer Village is required to make current service contributions to the LAPP of 10.43% of pensionable earnings up to the the year's maximum pensionable earnings under the Canada Pension Plan and 14.47% on pensionable earnings above this amount. Employees of the Summer Village are required to make current service contributions of 9.43% of pensionable salary up to the year's maximum pensionable salary and 13.47% on pensionable salary above this amount.

Total current service contributions by the Summer Village to the LAPP in 2013 were \$18,910 (2012 - \$23,620). Total current service contributions by the employees of the Summer Village to the Local Authorities Pension Plan in 2013 were \$17,248 (2012 - \$21,401).

At December 31, 2012, the LAPP disclosed an actuarial deficiency of \$4,977,303,000 (2011 - \$4,639,390,000).

14. 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.

15. Budget information

The disclosed budget information has been approved by Council.

16. 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.