

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2013**

**SUMMER VILLAGE OF SOUTH VIEW**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Council of Summer Village of South View

We have audited the accompanying consolidated financial statements of Summer Village of South View, which comprise the consolidated statement of financial position as at December 31, 2013 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.

(continues)

Independent Auditor's Report to the Members of Council of Summer Village of South View *(continued)*

Opinion

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

The consolidated financial statements for the year ended December 31, 2012 were audited by another accounting firm and are presented for comparative purposes only.

Edmonton, Alberta  
April 29, 2014

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

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Financial Position**  
**December 31, 2013**

	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 310,199	\$ 152,033
Term deposits	-	52,425
Taxes and grants in place of taxes (Note 3)	17,069	22,219
Trade and other receivables	6,694	15,532
	<b>\$ 333,962</b>	<b>\$ 242,209</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 16,687	\$ 17,791
Deferred income (Note 6)	163,568	74,684
	<b>180,255</b>	<b>92,475</b>
<b>NET FINANCIAL ASSET (DEBT)</b>	<b>153,707</b>	<b>149,734</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	614,660	642,621
Prepaid expenses	-	-
	<b>614,660</b>	<b>642,621</b>
<b>ACCUMULATED SURPLUS (Note 9)</b>	<b>\$ 768,367</b>	<b>\$ 792,355</b>

**On behalf of Council**

\_\_\_\_\_ Mayor

\_\_\_\_\_ CAO

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2013**

	Budget	Actual	Actual
	2013	2013	2012
<b>REVENUE</b>			
Net municipal taxes (Schedule 1)	\$ 142,575	\$ 141,586	\$ 131,431
User fees and sale of goods	3,100	3,367	3,260
Government transfers for operating	14,692	13,436	13,674
Investment income	500	342	575
Penalties and costs of taxes	6,500	6,069	6,678
Licenses and permits	250	523	248
<b>Total revenue</b>	<b>167,617</b>	<b>165,323</b>	<b>155,866</b>
<b>EXPENSES</b>			
Administration and legislative	71,173	65,998	65,116
Fire service	12,994	12,319	12,994
Bylaw enforcement	5,255	4,724	5,255
Disaster and emergency measures	1,179	793	1,128
Roads, streets, walks and lighting	19,300	23,079	26,513
Wastewater treatment and disposal	15,850	10,831	9,160
Family and community support	3,655	3,655	3,655
Land use planning, zoning and development	5,000	5,548	4,073
Parks and recreation	32,726	35,904	25,133
<b>Total operating expenses</b>	<b>167,132</b>	<b>162,851</b>	<b>153,027</b>
<b>Excess (deficiency) of revenue over expenses before other</b>	<b>485</b>	<b>2,472</b>	<b>2,839</b>
<b>OTHER</b>			
Government transfers for capital	165,536	4,315	88,991
Amortization	-	(31,086)	(29,812)
Gain on disposal of assets	-	311	-
	<b>165,536</b>	<b>(26,460)</b>	<b>59,179</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>166,021</b>	<b>(23,988)</b>	<b>62,018</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>792,355</b>	<b>730,337</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 768,367</b>	<b>\$ 792,355</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2013**

	2013	2012
<b>Excess (Shortfall) of Revenues Over Expenses</b>	<b>\$ (23,988)</b>	<b>\$ 62,018</b>
<i>Acquisition of tangible capital assets</i>	<b>(4,314)</b>	<b>(84,681)</b>
Proceeds on disposal of tangible capital assets	<b>1,500</b>	<b>-</b>
Amortization of tangible capital assets	<b>31,086</b>	<b>29,812</b>
(Gain) loss on disposal of assets	<b>(311)</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>3,973</b>	<b>7,149</b>
Net financial assets (debt), beginning of year	<b>149,734</b>	<b>142,585</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 153,707</b>	<b>\$ 149,734</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (23,988)	\$ 62,018
Items not affecting cash:		
Gain on disposal of assets	(311)	-
Amortization	31,086	29,812
	<b>6,787</b>	<b>91,830</b>
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	5,150	488
Trade and other receivables	8,838	(3,566)
Grants and receivables from other governments	-	11,833
Accounts payable	(1,103)	(9,464)
Deferred income	88,884	18,769
	<b>101,769</b>	<b>18,060</b>
Cash flow from operating activities	<b>108,556</b>	<b>109,890</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(4,315)	(84,681)
Proceeds on disposal of capital assets	1,500	-
Cash flow used by investing activities	<b>(2,815)</b>	<b>(84,681)</b>
<b>INCREASE IN CASH FLOW</b>	<b>105,741</b>	<b>25,209</b>
Cash - beginning of year	<b>204,458</b>	<b>179,249</b>
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 310,199</b>	<b>\$ 204,458</b>

The accompanying notes form an integral part of these financial statements



**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2013**

*(Schedule 1)*

	Budget 2013	Actual 2013	Actual 2012
<b>TAXATION</b>			
Real property tax	\$ 196,132	\$ 195,079	\$ 174,281
Linear property taxes	2,586	2,615	2,650
Special assessments	5,850	5,850	5,850
	<b>204,568</b>	<b>203,544</b>	182,781
<b>REQUISITIONS</b>			
Alberta School Foundation	56,629	56,629	45,986
Seniors' housing requisition	5,363	5,329	5,363
	<b>61,992</b>	<b>61,958</b>	51,349
<b>NET MUNICIPAL TAXES</b>	<b>\$ 142,576</b>	<b>\$ 141,586</b>	<b>\$ 131,432</b>

**Consolidated Schedule of Government Transfers**  
**Year Ended December 31, 2013**

*(Schedule 2)*

	Budget 2013	Actual 2013	Actual 2012
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 14,692	\$ 13,436	\$ 13,674
	<b>14,692</b>	<b>13,436</b>	13,674
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	165,536	4,315	88,991
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 180,228</b>	<b>\$ 17,751</b>	<b>\$ 102,665</b>

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW

Consolidated Schedule 3 - Schedule of Consolidated Expenditures by Object  
(Schedule 3)

Year Ended December 31, 2013

	Budget 2013	Actual 2013	Actual 2012
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 6,000	\$ 4,425	\$ 10,950
Contracted and general services	142,733	141,887	124,913
Materials, goods and utilities	12,800	10,684	11,397
Transfer to local boards and agencies	5,600	5,855	5,767
<b>Total Consolidated Expenditures by Object</b>	<b>\$ 167,133</b>	<b>\$ 162,851</b>	<b>\$ 153,027</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Schedule 4 - Schedule of Segmented Disclosure**  
**Year Ended December 31, 2013**  
*(Schedule 4)*

	General Government	Transportation Services	Recreation & Culture	Protective Services	Environmental Services	Planning & Development	Other	Total \$
<b>REVENUE</b>								
Net municipal taxes	141,586							\$ 141,586
Government transfers	9,268	1,244	2,924					13,436
User fees and sales of goods	374		2,993					3,367
Investment income	342							342
Other revenues	6,069					523		6,592
	157,639	1,244	5,917	-	-	523		165,323
<b>EXPENSES</b>								
Contract & general services	61,573	12,395	33,705	17,835	10,831	5,548		141,887
Salaries & wages	4,425							4,425
Goods & supplies		10,684						10,684
Transfer to local boards			2,200				3,655	5,855
	65,998	23,079	35,905	17,835	10,831	5,548	3,655	162,851
<b>NET REVENUE, BEFORE AMORTIZATION</b>	91,641	(21,835)	(29,987)	(17,835)	(10,831)	(5,025)	(3,655)	2,473
Capital transfers		4,315						4,315
Gain loss on sale of TCA			311					311
Amortization expense	(173)	(26,848)	(3,617)		(449)			(31,086)
<b>NET REVENUE</b>	\$ 91,814	\$ 5,013	\$ (26,370)	\$ (17,835)	\$ (10,382)	\$ (5,025)	\$ (3,655)	\$ (23,988)

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the Summer Village of South View (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.

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.

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**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

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

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.

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

Inventories for Resale

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

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction are not expected to be repaid in the future or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

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**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

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

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

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 - 25 years
Buildings	25 - 50 years
Machinery and equipment	10 - 15 years
Engineered structures	10 - 75 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.

2. CASH AND TEMPORARY INVESTMENTS

	2013	2012
Cash	\$ 147,892	\$ 77,349
Term deposits	-	52,425
Restricted cash	162,307	74,684
	<b>\$ 310,199</b>	<b>\$ 204,458</b>

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

Included in cash are restricted amounts received from municipal grants and are held exclusively for future approved projects. See Note 6.

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

**3. TAXES RECEIVABLES**

Taxes receivable are comprised of:

	2013	2012
Current taxes and grants in place of taxes	\$ 11,117	\$ 15,771
Arrears taxes and grants in place of taxes	5,952	6,448
	<b>\$ 17,069</b>	<b>\$ 22,219</b>

**4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS**

Grants and receivables from other governments are comprised of:

	2013	2012
Goods and Services Tax refundable	\$ 5,517	\$ 9,060

**5. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Land	\$ 173,252	\$ -	\$ 173,252	\$ 173,252
Land improvements	71,051	40,405	30,646	34,070
Engineered structures	519,319	123,815	395,504	422,305
Buildings	10,701	3,539	7,162	7,335
Machinery and equipment	9,876	6,095	3,781	5,659
Assets under construction	4,315	-	4,315	-
	<b>\$ 788,514</b>	<b>\$ 173,854</b>	<b>\$ 614,660</b>	<b>\$ 642,621</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 SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2013	2012
Municipal Sustainability Initiative - Capital	\$ 144,602	\$ 74,684
Basic Municipal Transportation Grant	10,564	-
Federal Gas Tax Fund Grant	7,141	-
Prepaid taxes	1,261	-
	<b>\$ 163,568</b>	<b>\$ 74,684</b>

**Municipal Sustainability Initiative - Capital**

Additional funding in the amount of \$69,394 was received in the current year from the Municipal Sustainability Initiative - Capital and is restricted to eligible capital projects, as approved under the funding agreement. Funds from this grant are being deferred for a future capital project. Unexpended funds related to the advance are supported by restricted cash of \$144,602 held exclusively for this project (refer to Note 2).

**Basic Municipal Transportation Grant**

\$10,564 was received in the current year from the Basic Municipal Transportation Grant is restricted to eligible capital projects, as approved under the funding agreement, which are scheduled for completion in future years. Unexpended funds related to the advance are supported by restricted cash of \$10,564 held exclusively for these projects (refer to Note 2).

**Federal Gas Tax Fund**

\$11,409 was received in the current year from the Federal Gas Tax Fund and is restricted to eligible capital projects, as approved under the funding agreement. Unexpended funds related to the advance are supported by restricted cash of \$7,141 held exclusively for this project (refer to Note 2).



**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

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 South View be disclosed as follows:

	2013	2012
Total debt limit	\$ 247,985	\$ 233,799
Total debt	-	-
Amount of debt limit unused	<b>247,985</b>	233,799
Debt servicing limit	41,331	38,967
Debt servicing	-	-
Amount of debt servicing limit unused	<b>\$ 41,331</b>	\$ 38,967

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.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2013	2012
Tangible capital assets (Note 5)	\$ 788,514	\$ 792,128
Accumulated amortization (Note 5)	<b>(173,854)</b>	(149,507)
	<b>\$ 614,660</b>	\$ 642,621

9. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2013	2012
Operating reserve	\$ 27,872	\$ 27,249
Restricted reserve	<b>125,836</b>	122,486
Equity in tangible capital assets	<b>614,660</b>	642,621
	<b>\$ 768,368</b>	\$ 792,356

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

**10. SEGMENTED DISCLOSURE**

The Summer Village of South View 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).

**11. 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:

			2013	2012
	Salary (1)	Benefits & allowances (2)	Total	Total
S. Benford - Councilor	\$ 2,400	\$ -	\$ 2,400	\$ 2,850
H. Williams. - Councilor	-	-	-	750
G. Ward. - Councilor	1,350	-	1,350	675
B. Johnson - Councilor	675	-	675	-
Administration	32,089	-	32,089	30,561
	\$ 36,514	\$ -	\$ 36,514	\$ 34,836

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Administrative services are paid via contract are for the Chief Administrative Officer and her staff.
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.

**12. FINANCIAL INSTRUMENTS**

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

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

**Credit risk**

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

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**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2013**

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12. 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.

13. CONTINGENT LIABILITY

The municipality is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the municipality could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

14. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

15. COMPARATIVE FIGURES

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

16. BUDGET AMOUNTS

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