

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COUNCIL
SUMMER VILLAGE OF GHOST LAKE

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Summer Village of Ghost Lake, which comprise of the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations, change in net financial assets (debt), 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

Suite 32, 2333 18th Avenue NE, Calgary Alberta. T2E 8T6
Suite 1000, 640 – 8th Avenue SW, Calgary, Alberta T2P 1G7
Ph: 403-735-0735 Fax: 403-735-2377
www.scaseandpartners.com

Partners are members of CPA Alberta

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 the Summer Village of Ghost Lake as at December 31, 2015, the results of its operations, change in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



January 26, 2016
Calgary, Alberta

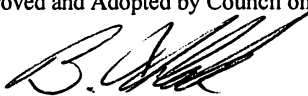
Professional Accountants

Summer Village of Ghost Lake

Consolidated Statement of Financial Position As at December 31, 2015

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	343,340	294,994
Receivables		
Taxes and grants in lieu receivables (Note 3)	-	677
Trade and other receivables	8,477	10,687
	<u>351,816</u>	<u>306,358</u>
LIABILITIES		
Accounts payable and accrued liabilities	20,248	28,367
Deferred revenue (Note 4)	37,385	6,000
	<u>57,633</u>	<u>34,367</u>
NET FINANCIAL ASSETS (DEBT)	<u>294,183</u>	<u>271,991</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5, Schedule 2)	697,048	734,735
Prepaid expenses	1,095	125
	<u>698,143</u>	<u>734,860</u>
ACCUMULATED SURPLUS (Note 9)	<u>992,325</u>	<u>1,006,851</u>

Approved and Adopted by Council on February 10, 2016



Mayor



Administrator

The accompanying notes form an integral part of these financial statements

Summer Village of Ghost Lake
Consolidated Statement of Operations
For the Year Ended December 31, 2015

	Budget \$ (Unaudited)	2015 \$	2014 \$
REVENUE			
Net municipal taxes (Schedule 3)	82,681	82,463	79,183
User fees and sales of goods	-	7,706	6,384
Government transfers for operating (Schedule 4)	13,285	26,633	7,085
Penalties and costs on taxes	-	375	1,119
Investment income	300	1,911	2,242
Other	-	5,419	3,150
Total Revenue	96,266	124,506	99,163
EXPENSES			
Legislative	600	721	1,244
Administrative	45,039	43,245	41,348
Fire	22,569	22,592	22,695
Common services	1,354	1,337	1,354
Roads, streets, walks, lighting	16,358	15,894	18,635
Storm system	14,347	9,491	97
Water supply and distribution	57	57	57
Waste management	12,050	10,768	11,911
Land use planning, zoning, development	500	17,882	-
Recreation and parks	15,359	16,143	18,109
Culture	829	902	814
Total Expenses	129,062	139,032	116,263
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	(32,796)	(14,526)	(17,100)
OTHER			
Government transfers for capital (Schedule 4)	40,000	-	-
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES	7,204	(14,526)	(17,100)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	810,652	1,006,851	1,023,951
ACCUMULATED SURPLUS, END OF YEAR	817,856	992,325	1,006,851

The accompanying notes form an integral part of these financial statements

Summer Village of Ghost Lake

Consolidated Statement of Change in Net Financial Assets (Debt) For the Year Ending December 31, 2015

	Budget \$ (Unaudited)	2015 \$	2014 \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	<u>7,204</u>	<u>(14,526)</u>	<u>(17,100)</u>
Contributed capital assets	(40,000)	-	-
Amortization of tangible capital assets	-	37,687	37,988
	<u>(40,000)</u>	<u>37,687</u>	<u>37,988</u>
Acquisition of prepaid assets	-	(1,095)	-
Use of prepaid assets	-	125	970
	<u>-</u>	<u>(970)</u>	<u>970</u>
INCREASE (DECREASE) IN NET DEBT	(32,796)	22,192	21,858
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>271,993</u>	<u>271,991</u>	<u>250,133</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>239,197</u>	<u>294,183</u>	<u>271,991</u>

The accompanying notes form an integral part of these financial statements

Summer Village of Ghost Lake

Consolidated Statement of Cash Flows For the Year Ended December 31, 2015

	2015 \$	2014 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Shortfall of revenues over expenses	(14,526)	(17,100)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	37,687	37,988
Tangible capital assets received as contributions		
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	678	676
Decrease (increase) in trade and other receivables	2,210	49,573
Decrease (increase) in prepaid expenses	(970)	970
Increase (decrease) in accounts payable and accrued liabilities	(8,119)	(2,635)
Increase (decrease) in deferred revenue	31,385	2,237
Cash provided by operating transactions	<u>48,346</u>	<u>71,708</u>
CAPITAL		
Acquisition of tangible capital assets	-	-
Sale of tangible capital assets	-	-
Cash applied to capital transactions	<u>-</u>	<u>-</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	48,346	71,708
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	294,994	223,286
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>343,340</u>	<u>294,994</u>
Cash and cash equivalents is made up of:		
Cash and temporary investments	343,340	294,994
Less: restricted portion of cash and temp investments (Note 2)	<u>(290,655)</u>	<u>(241,744)</u>
	<u>52,684</u>	<u>53,250</u>

The accompanying notes form an integral part of these financial statements

Summer Village of Ghost Lake
Schedule of Property and Other Taxes
For the Year Ended December 31, 2015
Schedule 3

	Budget \$ (Unaudited)	2015 \$	2014 \$
TAXATION			
Real property taxes	197,987	197,768	200,935
Linear property taxes	322	322	317
(Over) under levy adjustment			
	<u>198,309</u>	<u>198,090</u>	<u>201,252</u>
REQUISITIONS			
Calgary RCSSD #1 Separate School Board	17,015	17,015	18,034
Alberta School Foundation Fund	98,613	98,613	104,035
	<u>115,628</u>	<u>115,628</u>	<u>122,069</u>
NET MUNICIPAL TAXES	<u>82,681</u>	<u>82,463</u>	<u>79,183</u>

Summer Village of Ghost Lake

Schedule of Government Transfers For the Year Ended December 31, 2015 Schedule 4

	Budget \$ (Unaudited)	2015 \$	2014 \$
TRANSFERS FOR OPERATING:			
Provincial Government	13,285	26,633	7,085
Other Local Governments			
	<u>13,285</u>	<u>26,633</u>	<u>7,085</u>
TRANSFERS FOR CAPITAL:			
Federal Government	40,000	-	-
Provincial Government	40,000	-	-
	<u>53,285</u>	<u>26,633</u>	<u>7,085</u>

Summer Village of Ghost Lake

Schedule of Consolidated Expenditures by Object For the Year Ended December 31, 2015 Schedule 5

	Budget \$ (Unaudited)	2015 \$	2014 \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages, and benefits	3,237	2,521	2,509
Contracted and general services	79,578	91,759	66,517
Purchases from other governments	2,200	1,764	1,650
Materials, goods, supplies, and utilities	6,100	4,522	6,797
Amortization of tangible capital assets	38,121	37,688	37,988
Bank charges	-	50	51
Other expenditures	779	728	752
	<u>130,015</u>	<u>139,032</u>	<u>116,264</u>

SUMMER VILLAGE OF GHOST LAKE
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2015
Schedule 2

	LAND	LAND IMPROVEMENT	BUILDINGS	ENGINEERED STRUCTURES			MACHINERY and EQUIPMENT	VEHICLES	2015 \$	2014 \$
				ROADS/STREETS	WATER SYSTEM	STORM SYSTEM				
COST:										
BALANCE, BEGINNING OF YEAR	36,970	130,766	423,348	337,285	4,298	7,284	31,287	17,522	988,758	988,758
Acquisition of tangible capital assets			0	0			0	0	0	0
Construction - in - progress									0	0
Disposal of tangible capital assets									0	0
Write down of tangible capital assets									0	0
BALANCE, END OF YEAR	36,970	130,766	423,348	337,285	4,298	7,284	31,287	17,522	988,758	988,758
ACCUMULATED AMORTIZATION:										
BALANCE, BEGINNING OF YEAR		80,098	47,789	86,551	1,394	2,865	21,157	14,168	254,023	216,035
Annual amortization		4,189	16,706	14,358	57	97	1,248	1,032	37,688	37,988
Accumulated amortization on disposals									0	0
BALANCE, END OF YEAR	0	84,287	64,496	100,910	1,451	2,962	22,404	15,200	291,710	254,023
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	36,970	46,478	358,852	236,375	2,847	4,322	8,882	2,322	697,048	734,735
2014 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	36,970	50,667	375,558	250,733	2,904	4,419	10,130	3,354	734,735	772,723

SUMMER VILLAGE OF GHOST LAKE
Schedule of Changes in Accumulated Surplus
For the Year Ended December 31, 2015
Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2015 \$	2014 \$
BALANCE, BEGINNING OF YEAR	51,958	220,158	734,735	1,006,851	1,023,951
Excess (deficiency) of revenues over expenses	(14,526)	-	-	(14,526)	(17,100)
Unrestricted funds designated for future use	(23,161)	23,161	-	-	-
Current year funds used for tangible capital assets	-	-	-	-	-
Annual amortization expense	37,687	-	(37,687)	-	-
Change in accumulated surplus	(0)	23,161	(37,687)	(14,526)	(17,100)
BALANCE, END OF YEAR	51,958	243,319	697,048	992,325	1,006,851

SUMMER VILLAGE OF GHOST LAKE

Schedule of Segmented Disclosure

For the Year Ended December 31, 2015

Schedule 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
REVENUE								
Net municipal taxes	82,463							82,463
Government transfers	26,633							26,633
User fees and sales of goods	180				7,526			7,706
Investment income	1,911							1,911
Other revenues	5,794							5,794
	<u>116,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,526</u>	<u>0</u>	<u>0</u>	<u>124,506</u>
EXPENSES								
Contract & general services	43,080	2,770	750	17,882	18,274	9,003		91,759
Purchases from other governments						1,764		1,764
Salaries & wages	465				2,056			2,521
Goods & supplies	286	2,363	785		1,088			4,522
Transfers to local boards					728			728
Other expenses	50							50
	<u>43,880</u>	<u>5,133</u>	<u>1,535</u>	<u>17,882</u>	<u>22,146</u>	<u>10,768</u>	<u>0</u>	<u>101,344</u>
NET REVENUE, BEFORE AMORTIZATION	<u>73,100</u>	<u>(5,133)</u>	<u>(1,535)</u>	<u>(17,882)</u>	<u>(14,620)</u>	<u>(10,768)</u>	<u>0</u>	<u>23,162</u>
Amortization expense	(86)	(17,459)	(15,695)		(4,293)	(154)		(37,688)
NET REVENUE	<u>73,014</u>	<u>(22,592)</u>	<u>(17,230)</u>	<u>(17,882)</u>	<u>(18,913)</u>	<u>(10,922)</u>	<u>0</u>	<u>(14,526)</u>

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in the fund balances and in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the municipality.

The schedule of taxes levied also includes requisitions for education 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.

b) 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.

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015

Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

c) 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.

d) 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.

e) 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 revenues 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.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

f) 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.

g) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

School requisitions operate as a flow through and are excluded from municipal revenue.

h) 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.

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:

Type of Asset	Maximum Useful Life
Land Improvements	15-25
Buildings	25-50
Engineered Structures	5-45
Equipment	5-30
Vehicles	10-25

Assets under construction are not amortized until the asset is available for productive use.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

ii) 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.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses.

iv) 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

	2015	2014
	\$	\$
Cash	18,340	14,994
Temporary Investments	325,000	280,000
Total Cash and Temporary Investments	<u>343,340</u>	<u>294,994</u>

Guaranteed Investment Certificates have an effective interest rate of .70% and mature in less than one year.

Restricted Cash

	2015	2014
	\$	\$
Restricted surplus	243,320	14,994
Deferred revenue	37,385	280,000
Development agreement deposits	9,950	15,585
Total Cash and Temporary Investments	<u>290,655</u>	<u>241,744</u>

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2015	2014
	\$	\$
Current:		
Current taxes and grants in lieu	-	677
Less: allowances for doubtful accounts	-	-
	<hr/> -	<hr/> 677
Non-current:		
Tax arrears and grants in lieu		
	<hr/> -	<hr/> 677
	<hr/> <hr/>	<hr/> <hr/>

4. DEFERRED REVENUE

	2015	2014
	\$	\$
Municipal Sustainability – Operating	-	4,207
Municipal Sustainability – Capital	134	
Basic Municipal Transportation Grant	5,380	
New Deal for Cities and Communities	-	115
ACP – Collaboration Grant	30,749	
Prepaid Taxes	1,122	1,678
	<hr/> 37,385	<hr/> 6,000
	<hr/> <hr/>	<hr/> <hr/>

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

5. TANGIBLE CAPITAL ASSETS

	2015	2014
	Cost	Cost
	\$	\$
Net Book Value		
Land	36,970	36,970
Land Improvements	46,478	50,667
Buildings	358,852	375,558
Roads	236,375	250,733
Water system	2,847	2,904
Storm system	4,322	4,419
Machinery, equipment & furnishings	8,882	10,130
Vehicles	2,321	3,354
	<hr/>	<hr/>
	697,047	734,735
	<hr/>	<hr/>

6. 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:

	Contract/ Remuneration	2015 Benefits & Allowances	Total	2014 Total
Councillor Brian Oblak	100		100	100
Councillor Noel Betts	100		100	100
Councillor Warren Wilson	100		100	100
Chief Administrative Officer	28,140	901	29,041	27,076

1. Contract includes regular pay, general office expenses and equipment rental
2. Benefits and allowances include mileage reimbursement

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

7. DEBT LIMITS

	2015	2014
	\$	\$
Total Debt Limit	186,760	148,746
Total Debt	0	0
Amount total debt limit exceeded	<u>186,760</u>	<u>148,746</u>
Service on debt limit	31,127	24,791
Service on debt	0	0
Amount service on debt limited exceeded	<u>31,127</u>	<u>24,971</u>

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 Ghost Lake be disclosed as follows:

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000 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 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

	2015	2014
	\$	\$
Tangible capital assets (Schedule 1)	988,758	988,758
Accumulated amortization (Schedule 1)	(291,710)	(254,023)
	<u>697,048</u>	<u>734,735</u>

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

9. ACCUMULATED SURPLUS

	2015	2014
	\$	\$
Unrestricted surplus (deficit)	51,958	51,958
Restricted surplus		
RESERVES - ALET	5,825	5,825
RESERVES - AMBULANCE	652	652
RESERVES - CAPITAL PUBLIC WORKS	140,751	126,671
RESERVES - CONTINGENCY	24,823	20,087
RESERVES - REC & PARKS	4,281	4,281
RESERVES - REC BOARD	6,605	4,660
RESERVES – MR	32,000	32,000
RESERVES - FIRE	21,637	21,637
RESERVES - REC GOODS	500	500
RESERVES - PLANNING COMMITTEE	850	850
RESERVES – BYLAW	5,000	-
RESERVES - ROAD OPR	221	221
RESERVES - LIBRARY	140	140
RESERVES MSI INTEREST	34	34
RESERVES SHORELINE	-	2,600
Equity in tangible capital assets	697,048	734,735
	992,325	1,006,851

10. SEGMENTED DISCLOSURE

The Summer Village of Ghost Lake 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.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2015**

11. CONTINGENCIES

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

The Summer Village's financial instruments consist of cash and temporary investments, receivables, accounts payable, deposit liabilities and accrued liabilities. It is management's opinion that the Summer Village is not exposed to significant interest, or currency risk arising from these financial statements.

The Summer Village is subject to credit risk with respect to taxes and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Summer Village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimize the credit risk.

Unless otherwise noted, the fair value of these financial instruments approximates fair value.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

14. COMPARATIVE FIGURES AND ROUNDING

Certain of the comparative figures have been restated to facilitate comparison to the current year's presentation. Rounding due to the use of formulas has also caused some totals to differ due to rounding.