



Scase & Partners

Professional Accountants

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, 2016 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 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, 2016, 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 19, 2017
Calgary, Alberta


Professional Accountants

Summer Village of Ghost Lake

**Consolidated Statement of Financial Position
As at December 31, 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	598,120	343,340
Receivables		
Taxes and grants in lieu receivables	-	-
Trade and other receivables	4,941	8,477
	<u>603,060</u>	<u>351,816</u>
LIABILITIES		
Accounts payable and accrued liabilities	19,798	20,248
Deferred revenue (Note 4)	278,656	37,385
	<u>298,454</u>	<u>57,633</u>
NET FINANCIAL ASSETS (DEBT)	<u>304,607</u>	<u>294,183</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4, Schedule 2)	679,520	697,048
Prepaid expenses	125	1,095
	<u>679,645</u>	<u>698,143</u>
ACCUMULATED SURPLUS (Note 8)	<u>984,252</u>	<u>992,325</u>

Approved and Adopted by Council on *February 8, 2017*



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, 2016

	Budget \$ (Unaudited)	2016 \$	2015 \$
REVENUE			
Net municipal taxes (Schedule 3)	88,506	88,735	82,463
User fees and sales of goods	-	6,040	7,706
Government transfers for operating (Schedule 4)	19,847	19,216	26,633
Penalties and costs on taxes	-	719	375
Investment income	800	1,665	1,911
Other	-	1,235	5,419
Total Revenue	109,153	117,611	124,506
EXPENSES			
Legislative	2,550	2,269	721
Administrative	46,648	45,214	43,245
Fire	35,117	25,490	22,592
Common services	1,354	1,320	1,337
Roads, streets, walks, lighting	16,858	14,696	15,894
Storm system	4,943	2,934	9,491
Water supply and distribution	57	57	57
Waste management	12,290	11,435	10,768
Land use planning, zoning, development	500	11,519	17,882
Recreation and parks	18,047	16,010	16,143
Culture	1,291	822	902
Total Expenses	139,655	131,765	139,032
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	(30,502)	(14,154)	(14,526)
OTHER			
Government transfers for capital (Schedule 4)	250,000	6,081	-
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES	219,498	(8,074)	(14,526)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	992,327	992,325	1,006,851
ACCUMULATED SURPLUS, END OF YEAR	1,211,825	984,252	992,325

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, 2016

	Budget \$ (Unaudited)	2016 \$	2015 \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	219,498	(8,074)	(14,526)
Acquisition of tangible capital assets	(250,000)	(20,531)	
Contributed capital assets	(20,000)	-	-
Amortization of tangible capital assets	-	38,059	37,687
	(270,000)	17,528	37,687
Acquisition of prepaid assets	-	(125)	(1,095)
Use of prepaid assets	-	1,095	125
	-	970	(970)
INCREASE (DECREASE) IN NET DEBT	(50,502)	10,424	22,192
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	239,197	294,185	271,993
NET FINANCIAL ASSETS (DEBT), END OF YEAR	188,695	304,609	294,185

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, 2016

	2016	2014
	\$	\$
	<hr/>	<hr/>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Shortfall of revenues over expenses	(8,074)	(14,526)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	38,059	37,687
Tangible capital assets received as contributions		
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	-	678
Decrease (increase) in trade and other receivables	3,536	2,210
Decrease (increase) in prepaid expenses	970	(970)
Increase (decrease) in accounts payable and accrued liabilities	(452)	(8,119)
Increase (decrease) in deferred revenue	241,271	31,385
Cash provided by operating transactions	<u>275,310</u>	<u>48,345</u>
CAPITAL		
Acquisition of tangible capital assets	(20,531)	-
Sale of tangible capital assets	-	-
Cash applied to capital transactions	<u>(20,531)</u>	<u>-</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	254,779	48,345
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	343,340	294,995
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>598,120</u>	<u>343,340</u>
Cash and cash equivalents is made up of:		
Cash and temporary investments	598,120	343,340
Less: restricted portion of cash and temp investments (Note 2)	<u>(547,180)</u>	<u>(290,655)</u>
	<u>50,939</u>	<u>52,685</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, 2016 Schedule 3

	Budget \$	2016 \$	2015 \$
	(Unaudited)		
TAXATION			
Real property taxes	204,989	205,217	197,768
Linear property taxes	331	332	322
(Over) under levy adjustment			
	205,320	205,549	198,090
 REQUISITIONS			
Calgary RCSSD #1 Separate School Board	16,997	16,997	17,015
Alberta School Foundation Fund	99,817	99,817	98,613
	116,814	116,815	115,628
 NET MUNICIPAL TAXES			
	88,506	88,735	82,463

Summer Village of Ghost Lake
Schedule of Government Transfers
For the Year Ended December 31, 2016
Schedule 4

	Budget	2016	2015
	\$	\$	\$
	(Unaudited)		
TRANSFERS FOR OPERATING:			
Provincial Government	19,847	19,216	26,633
Other Local Governments			
	19,847	19,216	26,633
TRANSFERS FOR CAPITAL:			
Federal Government	250,000	6,081	-
Provincial Government			
	250,000	6,081	-
	269,847	25,297	26,633

Summer Village of Ghost Lake

**Schedule of Consolidated Expenditures by Object
For the Year Ended December 31, 2016
Schedule 5**

	Budget \$ (Unaudited)	2016 \$	2015 \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages, and benefits	4,730	4,640	2,521
Contracted and general services	86,173	81,626	91,759
Purchases from other governments	1,940	2,005	1,764
Materials, goods, supplies, and utilities	7,350	4,636	4,522
Amortization of tangible capital assets	38,183	38,059	37,688
Bank charges	-	38	50
Other expenditures	1,279	761	728
	<u>139,655</u>	<u>131,765</u>	<u>139,032</u>

SUMMER VILLAGE OF GHOST LAKE
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2016
Schedule 2

	LAND		ENGINEERED STRUCTURES			MACHINERY and EQUIPMENT		VEHICLES	2016	2015
	LAND	IMPROVEMENT	BUILDINGS	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			6,950	0			0	7,500	14,450	0
Construction - in - progress				6,081					6,081	0
Disposal of tangible capital assets									0	0
Write down of tangible capital assets									0	0
BALANCE, END OF YEAR	36,970	130,766	430,298	343,365	4,298	7,284	31,287	25,022	1,009,289	988,758
ACCUMULATED AMORTIZATION:										
BALANCE, BEGINNING OF YEAR		84,287	64,496	100,910	1,451	2,962	22,404	15,200	291,710	254,023
Annual amortization		4,081	16,840	14,358	57	97	1,218	1,407	38,059	37,688
Accumulated amortization on disposals									0	0
BALANCE, END OF YEAR	0	88,369	81,335	115,268	1,509	3,059	23,622	16,607	329,769	291,710
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	36,970	42,397	348,963	228,097	2,789	4,225	7,664	8,415	679,520	697,048
2015 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

SUMMER VILLAGE OF GHOST LAKE
Schedule of Changes in Accumulated Surplus
For the Year Ended December 31, 2016
Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2016 \$	2015 \$
BALANCE, BEGINNING OF YEAR	51,958	243,319	697,048	992,325	1,006,851
Excess (deficiency) of revenues over expenses	(8,074)	-	-	(8,074)	(14,526)
Unrestricted funds designated for future use	(26,741)	26,741	-	-	-
Restricted funds used for capital assets		(14,450)	14,450		
Current year funds used for tangible capital assets	(6,081)	-	6,081	-	
Restricted funds used for operations	2,836	(2,836)			
Annual amortization expense	38,059	-	(38,059)	-	-
Change in accumulated surplus	(2)	9,455	(17,528)	(8,074)	(14,526)
BALANCE, END OF YEAR	51,956	252,774	679,520	984,251	992,325

SUMMER VILLAGE OF GHOST LAKE

Schedule of Segmented Disclosure
For the Year Ended December 31, 2016
Schedule 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
REVENUE								
Net municipal taxes	88,735	-	-	-	-	-	-	88,735
Government transfers	17,956	-	-	-	1,260	-	-	19,216
User fees and sales of goods	150	-	-	-	5,890	-	-	6,040
Investment income	1,665	-	-	-	-	-	-	1,665
Other revenues	1,955	-	-	-	-	-	-	1,955
	<u>110,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,150</u>	<u>-</u>	<u>-</u>	<u>117,611</u>
EXPENSES								
Contract & general services	45,029	4,318	150	11,519	11,181	9,430	-	81,626
Purchases from other governments	-	-	-	-	-	2,005	-	2,005
Salaries & wages	1,758	-	-	-	2,882	-	-	4,640
Goods & supplies	571	3,212	187	-	666	-	-	4,636
Transfers to local boards	-	-	-	-	761	-	-	761
Other expenses	38	-	-	-	-	-	-	38
	<u>47,396</u>	<u>7,530</u>	<u>337</u>	<u>11,519</u>	<u>15,489</u>	<u>11,435</u>	<u>-</u>	<u>93,707</u>
NET REVENUE, BEFORE AMORTIZATION	<u>63,065</u>	<u>(7,530)</u>	<u>(337)</u>	<u>(11,519)</u>	<u>(8,339)</u>	<u>(11,435)</u>	<u>-</u>	<u>23,904</u>
Amortization expense	(86)	(17,960)	(15,678)	-	(4,179)	(154)	-	(38,059)
NET REVENUE	<u><u>62,979</u></u>	<u><u>(25,490)</u></u>	<u><u>(16,016)</u></u>	<u><u>(11,519)</u></u>	<u><u>(12,518)</u></u>	<u><u>(11,589)</u></u>	<u><u>-</u></u>	<u><u>(14,154)</u></u>

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the Summer Village of Ghost Lake are the representations of management prepared in accordance with Canadian accounting standards for the public sector as established by the Public-Sector Accounting Board of CPA Canada. 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. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016

c) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for the public sector 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 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.

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.

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016

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.

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

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016**

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

	2016	2015
	\$	\$
Cash	23,120	18,340
Temporary Investments	575,000	325,000
Total Cash and Temporary Investments	598,120	343,340

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

Restricted Cash

	2016	2015
	\$	\$
Restricted surplus	252,774	243,320
Deferred revenue	278,656	37,385
Development deposit	15,750	9,950
	547,180	290,655

3. DEFERRED REVENUE

	2016	2015
	\$	\$
Municipal Sustainability – Capital	242,941	134
Basic Municipal Transportation Grant	-	5,380
Federal Gas Tax Fund	14,674	-
ACP – Collaboration Grant	19,817	30,749
Prepaid Taxes	1,224	1,122
	278,656	37,385

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016**

4. TANGIBLE CAPITAL ASSETS

	<u>2016</u> <u>Cost</u>	<u>2015</u> <u>Cost</u>
Net Book Value		
Land	36,970	36,970
Land Improvements	42,397	46,478
Buildings	348,963	358,852
Roads	228,097	236,375
Water system	2,789	2,847
Storm system	4,225	4,322
Machinery, equipment & furnishings	7,664	8,882
Vehicles	8,415	2,321
	<u>679,520</u>	<u>697,047</u>

5. 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	2016 Benefits & Allowances	Total	2015 Total
Councillor Brian Oblak	500		500	100
Councillor Noel Betts	500		500	100
Councillor Warren Wilson	500		500	100
Chief Administrative Officer	29,394	1,296	30,690	29,041

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, 2016**

6. DEBT LIMITS

	2016	2015
	\$	\$
Total Debt Limit	117,611	186,760
Total Debt	-	-
	<hr/>	<hr/>
Amount total debt limit exceeded	<u>117,611</u>	<u>186,760</u>
	<hr/>	<hr/>
Service on debt limit	29,403	31,127
Service on debt	-	-
	<hr/>	<hr/>
Amount service on debt limited exceeded	<u>29,403</u>	<u>31,127</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.

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
	\$	\$
Tangible capital assets (Schedule 1)	1,009,289	988,758
Accumulated amortization (Schedule 1)	(329,769)	(291,710)
	<hr/>	<hr/>
	<u>679,520</u>	<u>697,048</u>

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016

8. ACCUMULATED SURPLUS

	2015	2015
	\$	\$
Unrestricted surplus (deficit)	51,958	51,958
Restricted surplus		
RESERVES - ALET	5,825	5,825
RESERVES - AMBULANCE	652	652
RESERVES - CAPITAL PUBLIC WORKS	143,915	140,751
RESERVES - CONTINGENCY	34,005	24823
RESERVES - REC & PARKS	4,281	4,281
RESERVES - REC BOARD	7,113	6,605
RESERVES – MR	32,000	32,000
RESERVES - FIRE	15,737	21,637
RESERVES - REC GOODS	500	500
RESERVES - PLANNING COMMITTEE	850	850
RESERVES – BYLAW	5,000	5,000
RESERVES - ROAD OPR	221	221
RESERVES - LIBRARY	140	140
RESERVES MSI INTEREST	34	34
RESERVES GENERAL	2,500	-
Equity in tangible capital assets	<u>679,520</u>	<u>697,048</u>
	<u>984,251</u>	<u>992,325</u>

9. 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.

10. 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.

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016

11. 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.

12. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2016**

MANAGEMENT REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the Summer Village of Ghost Lake.

These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimated and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Summer Village maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Summer Village's assets are properly accounted for and adequately safeguarded.

The elected Council of the Summer Village of Ghost Lake is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council meets regularly with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Council also approves the engagement or re-appointment of the external auditors. The Council reviews the financial reports.

The consolidated financial statements have been audited by Scase & Partners, Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of Council, residents and ratepayers of the Summer Village. Scase & Partners Professional Accountants has full and free access to Council.

S. Plett
Chief Administrative Officer
January 9, 2017