



Scase & Partners

Professional Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MAYOR AND COUNCILLORS
SUMMER VILLAGE OF GHOST LAKE

Report on the Municipal Financial Information Return

We have audited the municipal financial information return Summer Village of Ghost Lake, which comprises the statement of financial position for the year ended December 31, 2018 and the statements of net assets, operations by function and object for the year then ended.

In our opinion, the municipal financial information return present fairly, in all material respects the statistical financial position of the Summer Village of Ghost Lake as at December 31, 2018 in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Municipal Financial Information Return section of our report. We are independent of the Summer Village of Ghost Lake in accordance with the ethical requirements that are relevant to our audit of the municipal financial information return in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate.

Responsibilities of Management and Those Charged with Governance for the Municipal Financial Information Return

Management is responsible for the preparation and fair presentation of the municipal financial information return in accordance with Canadian public sector accounting standards and the Alberta Municipal Government and for such internal control as management determines is necessary to enable the preparation of the municipal financial information return that are free from material misstatement, whether due to fraud or error.

In preparing the municipal financial information return, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipalities financial reporting process.

Auditor's responsibility for the Audit of the Municipal Financial Information Return

Our objectives are to obtain reasonable assurance about whether the municipal financial information return as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this municipal financial information return.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the municipal financial information return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 Municipality's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the municipal financial information return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.

Evaluate the overall presentation, structure, and content of the municipal financial information return, including the disclosures, and whether the municipal financial information return represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the municipal financial

information return. We are responsible for the direction, supervision and performance of the Municipality's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Readers are cautioned that they need to review the consolidated financial statements for the full disclosure for the year ended.

The engagement partner on the audit resulting in this independent auditor's report is Darryl Scase.

Calgary, Alberta
June 18, 2019



Professional Accountants

Summer Village of Ghost Lake

Consolidated Statement of Financial Position As at December 31, 2018

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	516,481	407,962
Receivables		
Taxes and grants in lieu receivables	2,804	-
Trade and other receivables	9,560	28,343
	<u>528,845</u>	<u>436,305</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,334	22,205
Deposit liabilities	13,750	-
Deferred revenue (Note 4)	157,682	81,909
	<u>173,766</u>	<u>104,114</u>
NET FINANCIAL ASSETS (DEBT)	<u>355,079</u>	<u>332,191</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4, Schedule 2)	843,901	887,863
Prepaid expenses	-	-
	<u>843,901</u>	<u>887,863</u>
ACCUMULATED SURPLUS (Note 8)	<u>1,198,980</u>	<u>1,220,054</u>

Approved and Adopted by Council on

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, 2018

	Budget \$ (Unaudited)	2018 \$	2017 \$
REVENUE			
Net municipal taxes (Schedule 3)	96,703	96,989	94,354
User fees and sales of goods	60	3,918	20,036
Government transfers for operating (Schedule 4)	56,903	20,390	19,818
Penalties and costs on taxes	-	490	-
Fines	-	7,187	-
Investment income	1,625	2,162	1,935
Other	-	405	3,111
Total Revenue	155,291	131,541	139,254
EXPENSES			
Legislative	1,975	1,800	1,981
Administrative	47,546	43,928	44,441
Fire	29,926	34,948	57,081
Bylaw	3,000	7,001	
Common services	1,354	546	1,320
Roads, streets, walks, lighting	15,858	28,022	20,801
Storm system	97	97	97
Water supply and distribution	57	57	57
Waste management	11,982	11,919	9,866
Land use planning, zoning, development	20,000	12,611	2,260
Recreation and parks	36,123	16,736	16,322
Culture	1,003	903	856
Total Expenses	168,921	158,568	155,082
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	(13,630)	(27,027)	(15,828)
OTHER			
Contributed assets			
Government transfers for capital (Schedule 4)	5,000	5,953	251,630
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES	(8,630)	(21,074)	235,802
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,463,600	1,220,054	984,252
ACCUMULATED SURPLUS, END OF YEAR	1,454,970	1,198,980	1,220,054

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, 2018

	Budget \$ (Unaudited)	2018 \$	2017 \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	(8,630)	(21,074)	235,802
Acquisition of tangible capital assets	(49,100)	(5,953)	(253,230)
Contributed capital assets			
Amortization of tangible capital assets	38,183	49,915	44,887
	(10,917)	43,962	(208,343)
Acquisition of prepaid assets			
Use of prepaid assets	-	-	125
	-	-	125
INCREASE (DECREASE) IN NET DEBT	(19,547)	22,888	27,584
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	188,870	332,191	304,607
NET FINANCIAL ASSETS (DEBT), END OF YEAR	169,323	355,079	332,191

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, 2018

	2018	2017
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Shortfall of revenues over expenses	(21,074)	235,802
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	49,915	44,887
Tangible capital assets received as contributions	-	-
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	(2,804)	
Decrease (increase) in trade and other receivables	18,783	(23,403)
Decrease (increase) in prepaid expenses	-	125
Increase (decrease) in accounts payable and accrued liabilities	(19,871)	2,407
Increase (decrease) in deposit liabilities	13,750	-
Increase (decrease) in deferred revenue	75,773	(196,746)
Cash provided by operating transactions	<u>114,472</u>	<u>63,072</u>
CAPITAL		
Acquisition of tangible capital assets	(5,953)	(253,230)
Sale of tangible capital assets	-	-
Cash applied to capital transactions	<u>(5,953)</u>	<u>(253,230)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	108,519	(190,158)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	407,962	598,120
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>516,481</u>	<u>407,962</u>
Cash and cash equivalents is made up of:		
Cash and temporary investments	516,481	407,962
Less: restricted portion of cash and temp investments (Note 2)	(474,555)	(378,494)
	<u>41,926</u>	<u>29,468</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, 2018
Schedule 3

	Budget \$ (Unaudited)	2018 \$	2017 \$
TAXATION			
Real property taxes	222,116	222,401	214,359
Linear property taxes	349	350	339
(Over) under levy adjustment			
	<u>222,465</u>	<u>222,751</u>	<u>214,698</u>
REQUISITIONS			
Calgary RCSSD #1 Separate School Board	18,270	18,270	17,993
Alberta School Foundation Fund	107,492	107,492	102,351
	<u>125,762</u>	<u>125,762</u>	<u>120,344</u>
NET MUNICIPAL TAXES	<u>96,703</u>	<u>96,989</u>	<u>94,354</u>

Summer Village of Ghost Lake
Schedule of Government Transfers
For the Year Ended December 31, 2018
Schedule 4

	Budget	2018	2017
	\$	\$	\$
	(Unaudited)		
<hr/>			
TRANSFERS FOR OPERATING:			
Provincial Government	24,403	20,390	19,818
Other Local Governments	32,500	-	-
	<hr/>	<hr/>	<hr/>
	56,903	20,390	19,818
<hr/>			
TRANSFERS FOR CAPITAL:			
Federal Government	-	785	24,055
Provincial Government	5,000	5,168	227,575
	<hr/>	<hr/>	<hr/>
	5,000	5,953	251,630
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	61,903	26,343	271,448
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Summer Village of Ghost Lake

Schedule of Consolidated Expenditures by Object For the Year Ended December 31, 2018 Schedule 5

	Budget	2018	2017
	\$	\$	\$
	(Unaudited)		
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages, and benefits	1,850	1,781	4,696
Contracted and general services	116,198	98,604	79,830
Purchases from other governments	-	-	16,743
Materials, goods, supplies, and utilities	11,750	7,395	7,578
Amortization of tangible capital assets	38,182	49,915	44,887
Bank charges	100	32	553
Other expenditures	841	841	795
	<u>168,921</u>	<u>158,568</u>	<u>155,082</u>

Summer Village of Ghost Lake
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2018
Schedule 2

	LAND	LAND IMPROVEMENT	BUILDINGS	ENGINEERED STRUCTURES			MACHINERY and EQUIPMENT	VEHICLES	2018 \$	2017 \$
				ROADS and STREETS	WATER SYSTEM	STORM SYSTEM				
COST:										
BALANCE, BEGINNING OF YEAR	36,970	130,766	430,298	594,996	4,298	7,284	32,887	25,022	1,262,519	1,009,289
Acquisition of tangible capital assets	-	-	-	785	-	-	5,168	-	5,953	253,230
Construction - in - progress	-	-	-	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-
Write down of tangible capital assets	-	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	36,970	130,766	430,298	595,781	4,298	7,284	38,054	25,022	1,268,472	1,262,519
ACCUMULATED AMORTIZATION:										
BALANCE, BEGINNING OF YEAR	-	92,298	98,314	136,069	1,566	3,156	24,863	18,389	374,656	329,769
Annual amortization	-	3,247	16,979	27,264	57	97	1,264	1,008	49,915	44,887
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	-	95,545	115,292	163,333	1,623	3,254	26,127	19,397	424,571	374,656
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	36,970	35,220	315,005	432,448	2,675	4,030	11,927	5,625	843,901	887,863
2017 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	36,970	38,467	331,984	458,926	2,732	4,128	8,023	6,633	887,863	

SUMMER VILLAGE OF GHOST LAKE
Schedule of Changes in Accumulated Surplus
For the Year Ended December 31, 2018
Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2018 \$	2017 \$
BALANCE, BEGINNING OF YEAR	51,957	280,234	887,863	1,220,054	984,251
Excess (deficiency) of revenues over expenses	-21,074	-	-	-21,074	235,803
Unrestricted funds designated for future use	-27,202	27,202	-	-	-
Restricted funds used for capital assets					
Current year funds used for tangible capital assets	(5,953)		5,953	-	
Restricted funds used for operations	4,313	-4,313			
Annual amortization expense	49,915	-	-49,915	-	-
Change in accumulated surplus	(1)	22,889	-43,962	-21,074	235,803
BALANCE, END OF YEAR	51,956	303,123	843,901	1,198,980	1,220,054

SUMMER VILLAGE OF GHOST LAKE

Schedule of Segmented Disclosure

For the Year Ended December 31, 2018

Schedule 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
REVENUE								
Net municipal taxes	96,989	-	-	-	-	-	-	96,989
Government transfers	16,640	5,168	785	3,750	-	-	-	26,343
User fees and sales of goods	255	-	-	-	3,664	-	-	3,919
Investment income	2,162	-	-	-	-	-	-	2,162
Other revenues	8,081	-	-	-	-	-	-	8,081
	<u>124,127</u>	<u>5,168</u>	<u>785</u>	<u>3,750</u>	<u>3,664</u>	<u>-</u>	<u>-</u>	<u>137,494</u>
EXPENSES								
Contract & general services	43,731	20,171	-	12,611	10,172	11,919	-	98,604
Purchases from other governments	-	-	-	-	-	-	-	-
Salaries & wages	1,781	-	-	-	-	-	-	1,781
Goods & supplies	159	3,197	758	-	3,281	-	-	7,395
Transfers to local boards	-	-	-	-	841	-	-	841
Other expenses	32	-	-	-	-	-	-	32
	<u>45,703</u>	<u>23,368</u>	<u>758</u>	<u>12,611</u>	<u>14,294</u>	<u>11,919</u>	<u>-</u>	<u>108,653</u>
NET REVENUE, BEFORE AMORTIZATION	<u>78,424</u>	<u>(18,200)</u>	<u>27</u>	<u>(8,861)</u>	<u>(10,630)</u>	<u>(11,919)</u>	<u>-</u>	<u>28,841</u>
Amortization expense	26	18,581	27,809	-	3,345	154	-	49,915
NET REVENUE	<u><u>78,398</u></u>	<u><u>(36,781)</u></u>	<u><u>(27,782)</u></u>	<u><u>(8,861)</u></u>	<u><u>(13,975)</u></u>	<u><u>(12,073)</u></u>	<u><u>-</u></u>	<u><u>(21,074)</u></u>

SUMMER VILLAGE OF GHOST LAKE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

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 public sector accounting standards for local governments established by the Public Sector Accounting Board of 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 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 Village 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.

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.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

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.

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.

Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018

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 are also recorded as revenue.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all 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.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

2. CASH AND TEMPORARY INVESTMENTS

	2018	2017
	\$	\$
Cash	516,481	12,962
Temporary Investments		395,000
Total cash and temporary investments	<u>516,481</u>	<u>409,962</u>

Guaranteed Investment Certificates have an effective interest rate of 1.15% and mature in less than one year.

Restricted Cash

	2018	2017
	\$	\$
Restricted surplus	303,123	280,234
Deferred revenue	157,682	81,909
Temporary Investments	13,750	16,350
Total restricted cash and temporary investments	<u>474,555</u>	<u>378,493</u>

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2018	2017
	\$	\$
Current:		
Current taxes and grants in lieu	2,804	-
Less: allowances for doubtful accounts	-	-
	<u>2,804</u>	<u>-</u>

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

4. DEFERRED REVENUE

	2018	2017
	\$	\$
Municipal Sustainability – Capital	56,625	61,919
ACP – IDP/ICF Collaboration Grant	67,385	-
Federal Gas Tax Fund	9,523	-
ACP – GIS Collaboration Grant	12,610	19,690
Prepaid Taxes	-	300
ACP – LLUP Grant	11,429	-
	157,682	81,909

Municipal Sustainability Capital Funding

The 50% portion of the 2017 MSI capital grant advance was received in 2017 and no further advance has been received on the remainder of the 2017 or 2018 allocation. A portion of the 2017 grant (\$5,168) has been allocated to the upgrading of the water supply in the Community Services building and the remaining 2017 grant (\$40,600) and the full 2018 grant (\$76,014) remains unallocated.

Federal Gas Tax Fund (GFT)

\$9,523 of the GFT was received in 2018

Alberta Community Partnership Grants

ACP – IDP/ICF Collaboration Grant in the amount of \$66,600 was received for the development of three separate Intermunicipal Development Plans and Intermunicipal Collaboration Frameworks between the Summer Village of Ghost Lake, the MD of Bighorn, and the Summer Village of Waiparous. The Summer Village of Ghost Lake is the Managing Partner on the grant and as such will administer the funds. All funds must be spent by March 31, 2020.

ACP – LLUP (Local Land Use Planning) grant in the amount of \$15,000 was received for the development of a Municipal Development Plan in 2017 and must be spent by March 31, 2021.

ACP – GIS grant in the amount of \$44,000 received in 2015.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

5. TANGIBLE CAPITAL ASSETS

	<u>2018</u>	<u>2017</u>
	\$	\$
Net Book Value		
Land	36,970	36,970
Land Improvements	35,221	38,467
Buildings	315,005	331,984
Roads	432,448	458,926
Water system	2,675	2,732
Storm system	4,030	4,128
Machinery, equipment & furnishings	11,927	8,023
Vehicles	5,625	6,633
	<u>843,901</u>	<u>887,863</u>

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	2018 Benefits & Allowances	Total	2017 Total
	\$	\$	\$	\$
Councillor Brian Oblak				221
Councillor Noel Betts				211
Councillor Warren Wilson	500		500	500
Councillor Walsh	500		500	279
Councillor Carrier	500		500	279
Chief Administrative Officer	28,676	498	29,174	29,287

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, 2018**

7. DEBT LIMITS

	2018	2017
	\$	\$
Total Debt Limit	197,312	208,830
Total Debt	-	-
Amount total debt limit exceeded	<u>197,312</u>	<u>208,830</u>
Service on debt limit	32,885	34,813
Service on debt	-	-
Amount service on debt limited exceeded	<u>32,885</u>	<u>34,813</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

	2018	2017
	\$	\$
Tangible capital assets (Schedule 1)	1,268,472	1,262,519
Accumulated amortization (Schedule 1)	(424,571)	(374,656)
	<u>843,901</u>	<u>887,863</u>

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

9. ACCUMULATED SURPLUS

	2018	2017
	\$	\$
Unrestricted surplus (deficit)	51,958	51,958
Restricted surplus		
RESERVES - ALET		
RESERVES - AMBULANCE		
RESERVES - CAPITAL PUBLIC WORKS	156,994	150,222
RESERVES - CONTINGENCY	69,513	56,687
RESERVES - REC & PARKS	6,784	5,384
RESERVES - REC BOARD	7,641	7,028
RESERVES - MR	33,682	33,290
RESERVES - FIRE	12,223	14,137
RESERVES - REC GOODS	500	500
RESERVES - PLANNING COMMITTEE	7,290	4,590
RESERVES - BYLAW	5,000	5,000
RESERVES - ROAD OPR	221	221
RESERVES - LIBRARY	740	640
RESERVES MSI INTEREST	34	34
RESERVES GENERAL	2,500	2,500
Equity in tangible capital assets	843,901	887,863
	1,198,981	1,220,054

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.

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.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

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.

**Summer Village of Ghost Lake
Notes to Financial Statements
For the Year ended December 31, 2018**

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 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. Bureyko
Chief Administrative Officer
June 18, 2019