

SUMMER VILLAGE OF SILVER SANDS
Consolidated Financial Statements
Year Ended December 31, 2017

SUMMER VILLAGE OF SILVER SANDS
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Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Councils of Summer Village of Silver Sands

We have audited the accompanying consolidated financial statements of Summer Village of Silver Sands, which comprise the consolidated statement of financial position as at December 31, 2017 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Summer Village of Silver Sands as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta
April 13, 2018

Seniuk & Company
Seniuk and Company
Chartered Accountants

SUMMER VILLAGE OF SILVER SANDS
Consolidated Statement of Financial Position
December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 750,457	\$ 567,969
Taxes and grants in place of taxes <i>(Note 3)</i>	96,285	89,316
Grants and receivables from other governments <i>(Note 4)</i>	12,797	8,604
Trade and other receivables	5,891	5,985
	\$ 865,430	\$ 671,874
LIABILITIES		
Accounts payable	\$ 41,826	\$ 38,116
Deferred income <i>(Note 6)</i>	317,853	164,740
Developer deposits	2,103	3,210
	361,782	206,066
NET FINANCIAL ASSET (DEBT)	503,648	465,808
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 5)</i>	1,266,324	1,336,015
Prepaid expenses	1,663	-
	1,267,987	1,336,015
ACCUMULATED SURPLUS	\$ 1,771,635	\$ 1,801,823

On behalf of Council

_____ *Mayor*

_____ *CAO*

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS
Consolidated Statement of Operations
Year Ended December 31, 2017

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
REVENUE			
Net municipal taxes (Schedule 1)	\$ 355,032	\$ 355,130	\$ 350,249
User fees and sale of goods	650	665	745
Government transfers for operating (Schedule 2)	18,475	21,667	18,190
Investment income	250	465	1,006
Penalties and costs of taxes	15,000	17,135	15,885
Licenses and permits	-	772	778
Franchise fees & concession contracts	3,600	3,945	3,703
Other	5,000	11,578	2,342
Total revenue	398,007	411,357	392,898
EXPENSES			
Administration and legislative	131,469	129,653	127,632
Fire service	27,000	27,182	34,549
Bylaw enforcement	10,000	10,189	10,339
Disaster and emergency measures	2,500	477	-
Ambulance	2,295	2,295	1,300
Roads, streets, walks and lighting	130,200	123,088	128,374
Wastewater treatment and disposal	15,000	5,760	25,291
Waste management	39,900	36,594	39,445
Family and community support	6,580	7,953	7,419
Land use planning, zoning and development	33,100	22,855	11,943
Parks and recreation	16,300	10,907	15,033
Libraries, museums and halls	663	662	662
Total operating expenses	415,007	377,615	401,987
Excess (deficiency) of revenue over expenses before other	(17,000)	33,742	(9,089)
OTHER			
Government transfers for capital	17,000	5,760	55,323
Amortization	-	(69,690)	(76,808)
	17,000	(63,930)	(21,485)
DEFICIENCY OF REVENUE OVER EXPENSES	-	(30,188)	(30,574)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	1,801,823	1,832,397
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 1,771,635	\$ 1,801,823

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2017

	2017	2016
Excess (Shortfall) of Revenues Over Expenses	\$ (30,188)	\$ (30,574)
Acquisition of tangible capital assets	-	(27,940)
Amortization of tangible capital assets	69,691	76,808
Use of prepaids	(1,663)	-
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	37,840	18,294
Net financial assets (debt), beginning of year	465,808	447,514
NET ASSETS - END OF YEAR	\$ 503,648	\$ 465,808

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS
Consolidated Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (30,188)	\$ (30,574)
Item not affecting cash:		
Amortization	69,690	76,808
	39,502	46,234
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	(6,969)	(33,588)
Trade and other receivables	94	(5,202)
Grants and receivables from other governments	(4,193)	3,911
Accounts payable	3,712	3,790
Prepaid expenses	(1,663)	-
Developer deposits	(1,107)	3,210
Deferred income	153,113	54,374
	142,987	26,495
Cash flow from operating activities	182,489	72,729
INVESTING ACTIVITY		
Purchase of capital assets	-	(27,940)
INCREASE IN CASH FLOW	182,489	44,789
Cash - beginning of year	567,969	523,180
CASH - END OF YEAR (Note 2)	\$ 750,458	\$ 567,969

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS

Consolidated Schedule of Property and Other Taxes

(Schedule 1)

Year Ended December 31, 2017

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
TAXATION			
Real property tax	\$ 426,580	\$ 426,678	\$ 420,905
Linear property taxes	4,096	4,096	4,083
Special assessments	73,095	73,095	72,474
	503,771	503,869	497,462
REQUISITIONS			
Alberta School Foundation	137,214	137,214	135,780
Seniors' housing requisition	11,525	11,525	11,433
	148,739	148,739	147,213
NET MUNICIPAL TAXES	\$ 355,032	\$ 355,130	\$ 350,249

Consolidated Schedule of Government Transfers

(Schedule 2)

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
TRANSFERS FOR OPERATING			
Provincial Government	\$ 18,475	\$ 21,667	\$ 18,190
	18,475	21,667	18,190
TRANSFERS FOR CAPITAL			
Provincial Government	17,000	5,760	55,323
TOTAL GOVERNMENT TRANSFERS	\$ 35,475	\$ 27,427	\$ 73,513

Consolidated Schedule of Consolidated Expenditures by Object

(Schedule 3)

	Budget (Unaudited) 2017	Actual 2017	Actual 2016
EXPENSES			
Contracted and general services	\$ 292,064	\$ 261,527	\$ 277,817
Salaries, wages & benefits	90,500	82,871	86,840
Materials, goods and utilities	25,200	24,602	29,249
Transfer to local boards and agencies	7,243	8,615	8,081
Total Consolidated Expenditures by Object	\$ 415,007	\$ 377,615	\$ 401,987

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS

**Consolidated Schedule of Segmented Disclosure
Year Ended December 31, 2017**

(Schedule 4)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 355,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,130
Government transfers	-	8,961	-	6,108	6,149	-	-	21,218
User fees and sale of goods	665	-	-	450	-	-	-	1,115
Investment income	465	-	-	-	-	-	-	465
Other revenues	29,872	-	2,785	772	-	-	-	33,429
	386,132	8,961	2,785	7,330	6,149	-	-	411,357
EXPENSES								
Contract & general services	118,827	40,145	26,942	22,855	10,907	42,354	-	262,030
Salaries & wages	10,825	-	72,046	-	-	-	-	82,871
Materials, goods & utilities	-	-	24,099	-	-	-	-	24,099
Transfers to local boards	-	-	-	-	662	-	7,953	8,615
	129,652	40,145	123,087	22,855	11,569	42,354	7,953	377,615
Excess (deficiency) of revenue over expenses before other	256,480	(31,184)	(120,302)	(15,525)	(5,420)	(42,354)	(7,953)	33,742
OTHER EXPENSE								
Amortization	(1,228)	-	(58,797)	-	(9,665)	-	-	(69,690)
Government transfers for capital	-	-	5,760	-	-	-	-	5,760
	(1,228)	-	(53,037)	-	(9,665)	-	-	(63,930)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 255,252	\$ (31,184)	\$ (173,339)	\$ (15,525)	\$ (15,085)	\$ (42,354)	\$ (7,953)	\$ (30,188)

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS

Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2017

(Schedule 5)

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	Total 2017	Total 2016
BALANCE, BEGINNING OF YEAR	\$ 64,326	\$ 186,076	\$ 215,405	\$ 1,336,016	\$ 1,801,823	\$ 1,832,397
Excess (deficiency) of revenues over expenses	(30,188)	-	-	-	(30,188)	(30,574)
Annual amortization expense	69,690	-	-	(69,690)	-	-
Net transfers to/from reserves	(26,161)	18,000	8,161	-	-	-
	13,341	18,000	8,161	(69,690)	(30,188)	(30,574)
BALANCE, END OF YEAR	\$ 77,667	\$ 204,076	\$ 223,566	\$ 1,266,326	\$ 1,771,635	\$ 1,801,823

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Silver Sands 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 Chartered Professional Accountants of Canada. 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 Silver Sands (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.

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by Summer Village Council in accordance with legislation and Summer Village Council approved policies to raise the tax revenue required to meet the Summer Village's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Consolidated Schedule of Property and Other Taxes.

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SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

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

The Summer Village also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Consolidated Schedule of Property and Other Taxes (Schedule 1).

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.

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.

(*continues*)

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

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

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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.

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 - 20 years
Buildings	25 - 50 years
Machinery and equipment	5 - 20 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.

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

2. CASH AND TEMPORARY INVESTMENTS

	2017	2016
Cash	\$ 258,983	\$ 229,026
Restricted cash	309,514	157,964
Term deposits	181,961	180,979
	\$ 750,458	\$ 567,969

Temporary investments are short term deposits with original maturities of one year or less.

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

Not included in cash are funds held in trust of \$133,381 by the Summer Village for the Alberta Community Partnership Grant. The Summer Village is managing the funds for this grant in trust only

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2017	2016
Current taxes and grants in place of taxes	\$ 61,693	\$ 31,902
Arrears taxes and grants in place of taxes	34,592	57,414
	\$ 96,285	\$ 89,316

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2017	2016
Goods and Services Tax refundable	\$ 12,797	\$ 8,604

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	\$ 627,323	\$ -	\$ 627,323	\$ 627,323
Land improvements	98,849	54,695	44,154	50,660
Engineered structures	1,089,878	526,146	563,732	622,529
Buildings	62,403	46,484	15,919	17,187
Machinery and equipment	97,257	82,061	15,196	18,316
	\$ 1,975,710	\$ 709,386	\$ 1,266,324	\$ 1,336,015

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.

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2017	2016
Municipal Sustainability Initiative - Capital	\$ 256,412	\$ 157,964
Federal Gas Tax Fund Grant	53,102	-
Subtotal	309,514	157,964
Prepaid Taxes	8,339	6,776
	\$ 317,853	\$ 164,740

Municipal Sustainability Initiative - Capital

The Municipal Sustainability Initiative - capital 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 held exclusively for these future projects (refer to Note 2).

Federal Gas Tax Fund

The Federal Gas Tax Fund 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 held exclusively for these future projects (refer to Note 2).

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

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 Silver Sands be disclosed as follows:

	2017	2016
Total debt limit	\$ 617,036	\$ 589,347
Total debt	-	-
Amount of debt limit unused	617,036	589,347
Debt servicing limit	102,839	98,225
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 102,839	\$ 98,225

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. SEGMENTED DISCLOSURE

The Summer Village of Silver Sands 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).

9. CONTAMINATED SITES

The Summer Village identified one contaminated site that has been fully remediated. However, this site will continue to be monitored on an ongoing basis until 2036. In the current year costs of \$Nil (2016 - \$7,200) were incurred to monitor the site.

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

10. 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:

	Salary / Honorariums (1)	Benefits & allowances (2)	2017 Total	2016 Total
B. Poulin - Mayor	\$ 2,600	\$ -	\$ 2,600	\$ 3,775
M. Mazerolle - Councillor	2,975	-	2,975	3,250
R. Kirk - Councillor	2,550	-	2,550	3,425
Administration	68,891	-	68,891	68,891
	\$ 77,016	\$ -	\$ 77,016	\$ 79,341

1. Salary includes honoraria paid to the Councilors and wages and contract paid to 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.

11. 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.

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.

SUMMER VILLAGE OF SILVER SANDS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

12. 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.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

14. COMPARATIVE FIGURES

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

15. BUDGET AMOUNTS

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