

SUMMER VILLAGE OF VAL QUENTIN
Consolidated Financial Statements
Year Ended December 31, 2016

SUMMER VILLAGE OF VAL QUENTIN
Index to Consolidated Financial Statements
Year Ended December 31, 2016

	Page
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Consolidated Schedule of Property and Other Taxes (<i>Schedule 1</i>)	6
Consolidated Schedule of Government Transfers (<i>Schedule 2</i>)	6
Consolidated Schedule of Expenditures by Object (<i>Schedule 3</i>)	7
Consolidated Schedule of Changes in Accumulated Surplus (<i>Schedule 4</i>)	8
Consolidated Schedule of Segmented Disclosure (<i>Schedule 5</i>)	9
Notes to Consolidated Financial Statements	10 - 18

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of Val Quentin

We have audited the accompanying consolidated financial statements of Summer Village of Val Quentin, which comprise the consolidated statement of financial position as at December 31, 2016 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 Val Quentin as at December 31, 2016 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
March 15, 2017

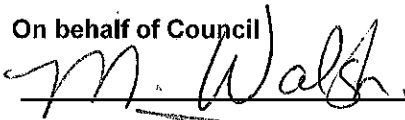
Seniuk & Company

Seniuk and Company
Chartered Accountants

SUMMER VILLAGE OF VAL QUENTIN
Consolidated Statement of Financial Position
December 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash and restricted cash (Note 2)	\$ 336,611	\$ 628,987
Term deposits (Note 2)	432,229	166,972
Taxes and grants in place of taxes (Note 3)	40,916	35,886
Grants and receivables from other governments (Note 4)	320,468	234,522
Interest receivable	1,423	709
	\$ 1,131,647	\$ 1,067,076
LIABILITIES		
Accounts payable	\$ 25,601	\$ 12,290
Deferred income (Note 6)	586,837	559,709
	612,438	571,999
NET FINANCIAL ASSET (DEBT)	519,209	495,077
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	1,141,309	1,089,840
ACCUMULATED SURPLUS (Note 9)	\$ 1,660,518	\$ 1,584,917
COMMITMENTS (Note 12)		

On behalf of Council



Councilor

CAO
 Councilor

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN
Consolidated Statement of Operations
Year Ended December 31, 2016

	Budget		
	2016	2016	2015
REVENUE			
Net municipal taxes (Schedule 1)	\$ 341,205	\$ 340,807	\$ 289,236
User fees and sale of goods	10,400	22,687	12,494
Government transfers for operating	16,011	14,424	15,024
Investment income	3,900	4,244	3,944
Total revenue	371,516	382,162	320,698
EXPENSES			
Administration and legislative	102,925	73,282	73,895
Police services	9,545	12,074	9,551
Fire service	16,500	21,770	15,525
Ambulance	2,000	2,615	1,324
Roads, streets, walks and lighting	44,750	60,523	75,652
Water supply and distribution	6,445	6,444	6,305
Wastewater treatment and disposal (Note 12)	125,055	125,052	87,636
Waste management	42,845	38,761	38,534
Family and community support	10,545	9,438	8,313
Land use planning, zoning and development	4,100	3,600	4,183
Parks and recreation	32,750	39,595	40,509
Libraries, museums and halls	3,130	2,697	2,944
Total operating expenses	400,590	395,851	364,371
Excess (deficiency) of revenue over expenses before other	(29,074)	(13,689)	(43,673)
OTHER			
Government transfers for capital (Schedule 2)	-	89,290	13,760
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(29,074)	75,601	(29,913)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,584,917	1,584,917	1,614,830
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,555,843	\$ 1,660,518	\$ 1,584,917

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2016

	2016	2015
Excess (Shortfall) of Revenues Over Expenses	\$ 75,601	\$ (29,913)
Acquisition of tangible capital assets	(81,340)	(260)
Amortization of tangible capital assets	29,871	27,456
(INCREASE) DECREASE IN NET DEBT	24,132	(2,717)
Net financial assets (debt), beginning of year	495,077	497,794
NET ASSETS - END OF YEAR	\$ 519,209	\$ 495,077

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN
Consolidated Statement of Cash Flows
Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 75,601	\$ (29,913)
Item not affecting cash:		
Amortization	29,871	27,456
	105,472	(2,457)
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	(5,030)	(16,283)
Interest receivable	(714)	124
Grants and receivables from other governments	(85,946)	(105,259)
Accounts payable	13,311	6,944
Deferred revenue	27,128	107,701
	(51,251)	(6,773)
Cash flow from (used by) operating activities	54,221	(9,230)
INVESTING ACTIVITY		
Additions to capital assets	(81,340)	(260)
DECREASE IN CASH FLOW	(27,119)	(9,490)
Cash - beginning of year	795,959	805,449
CASH - END OF YEAR (Note 2)	\$ 768,840	\$ 795,959

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN**Consolidated Schedule of Property and Other Taxes****(Schedule 1)****Year Ended December 31, 2016**

	Budget 2016	2016	2015
TAXATION			
Real property tax	\$ 410,695	\$ 407,095	\$ 398,314
Special assessments	56,400	56,400	17,678
	467,095	463,495	415,992
REQUISITIONS			
Alberta School Foundation	116,295	113,096	116,293
Seniors' housing requisition	9,595	9,592	10,463
	125,890	122,688	126,756
NET MUNICIPAL TAXES	\$ 341,205	\$ 340,807	\$ 289,236

Consolidated Schedule of Government Transfers**(Schedule 2)****Year Ended December 31, 2016**

	Budget 2016	2016	2015
TRANSFERS FOR OPERATING			
Provincial Government	\$ 16,011	\$ 14,424	\$ 15,024
	16,011	14,424	15,024
TRANSFERS FOR CAPITAL			
Provincial Government	-	89,290	13,760
TOTAL GOVERNMENT TRANSFERS	\$ 16,011	\$ 103,714	\$ 28,784

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN
Consolidated Schedule of Expenditures by Object
Year Ended December 31, 2016

(Schedule 3)

	Budget 2016	2016	2015
EXPENSES			
Salaries, wages & benefits	\$ 16,000	\$ 18,225	\$ 15,676
Contracted and general services	319,160	306,177	267,997
Materials, goods and utilities	31,855	38,881	50,300
Transfer to local boards and agencies	3,130	2,697	2,944
Amortization	30,445	29,871	27,456
Total Consolidated Expenditures by Object	\$ 400,590	\$ 395,851	\$ 364,373

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN

**Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2016**

(Schedule 4)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2016	Total 2015
BALANCE, BEGINNING OF YEAR	\$ 226,703	\$ 268,374	\$ 1,089,840	\$ 1,584,917	\$ 1,614,830
Excess (deficiency) of revenues over expenses	75,601	-	-	75,601	(29,913)
Current year funds used for tangible capital assets	(81,340)	-	81,340	-	-
Annual amortization expense	29,871	-	(29,871)	-	-
	24,132	-	51,469	75,601	(29,913)
BALANCE, END OF YEAR	\$ 250,835	\$ 268,374	\$ 1,141,309	\$ 1,660,518	\$ 1,584,917

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN

Consolidated Schedule of Segmented Disclosure
Year Ended December 31, 2016

(Schedule 5)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 340,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,807
Government transfers	8,831	-	-	-	-	-	5,593	14,424
User fees and sales of goods	21,651	-	-	1,036	-	-	-	22,687
Investment income	4,244	-	-	-	-	-	-	4,244
	375,533	-	-	1,036	-	-	5,593	382,162
EXPENSES								
Contract & general services	53,289	36,459	6,445	3,600	26,688	170,258	9,438	306,177
Salaries & wages	18,225	-	-	-	-	-	-	18,225
Materials, goods & utilities	1,766	-	23,863	-	13,252	-	-	38,881
Transfers to local boards	-	-	-	-	2,697	-	-	2,697
Amortization	-	-	22,522	-	7,349	-	-	29,871
	73,280	36,459	52,830	3,600	49,986	170,258	9,438	395,851
Excess (deficiency) of revenue over expenses before other	302,253	(36,459)	(52,830)	(2,564)	(49,986)	(170,258)	(3,845)	(13,689)
OTHER								
Government transfers for capital	-	-	-	-	89,290	-	-	89,290
INCOME (LOSS) FROM OPERATIONS	\$ 302,253	\$ (36,459)	\$ (52,830)	\$ (2,564)	\$ 39,304	\$ (170,258)	\$ (3,845)	\$ 75,601

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

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

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value 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.

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 unmaturing long term debt less actuarial requirements for the retirement of any sinking fund debentures.

(continues)

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

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

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.

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 Changes in Net Financial Assets (Debt) for the year.

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SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

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

Tangible Capital Assets

Tangible Capital Assets are stated at cost or deemed cost less accumulated amortization. Tangible Capital Assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Land improvements	15 -20 years
Machinery and equipment	5 years
Engineered structures	25 - 50 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.

Tangible Capital Assets acquired during the year but not placed into use are not amortized until they are placed into 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.

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 as incurred.

2. CASH AND TEMPORARY INVESTMENTS

	2016	2015
Cash	\$ 64,390	\$ 295,959
Term deposits	432,229	166,972
Restricted cash	272,221	333,028
	\$ 768,840	\$ 795,959

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

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

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

3. TAXES RECEIVABLES

Taxes receivable are comprised of:

	2016	2015
Current taxes and grants in place of taxes	\$ 23,175	\$ 28,661
Arrears taxes and grants in place of taxes	17,741	7,225
	\$ 40,916	\$ 35,886

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2016	2015
Municipal Sustainability Initiative - Capital and Basic Municipal Transportation Grant (Combined)	\$ 313,838	\$ 212,354
Federal Gas Tax Fund	-	13,230
Other	-	329
Subtotal	313,838	225,913
GST Receivable	6,630	8,609
	\$ 320,468	\$ 234,522

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 625,351	\$ -	\$ 625,351	\$ 625,351
Land improvements	164,665	21,731	142,934	101,969
Engineered structures	593,799	282,927	310,872	333,395
Buildings	63,420	1,268	62,152	-
Machinery and equipment	5,654	5,654	-	-
Assets under construction	-	-	-	29,125
	\$ 1,452,889	\$ 311,580	\$ 1,141,309	\$ 1,089,840

The net book value of the tangible capital assets at year end also represents the amount of equity in tangible capital assets.

Equity in tangible capital assets equals the tangible capital assets balance.

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

6. DEFERRED REVENUE

Deferred revenue is comprised of:

	2016	2015
Basic Municipal Transportation Grant	\$ 151,654	\$ 150,698
Federal Gas Tax Fund	69,166	55,640
Municipal Sustainability Initiative - Capital	365,239	352,274
Other	-	329
Prepaid taxes	778	768
	\$ 586,837	\$ 559,709

Municipal Sustainability Initiative - Capital and Basic Municipal Transportation Grants

Funding from the Provincial Government was allocated to the Summer Village in the current year from the Municipal Sustainability Initiative - Capital and Basic Municipal Transportation Grant. The grant funding is restricted to eligible capital projects, as approved under the funding agreements, which are scheduled for completion in the next few years. Unexpended funds related to the advance less amounts receivable from the Provincial Government are supported by restricted cash held exclusively for these projects (refer to Note 2).

Federal Gas Tax Fund

Funding from the Provincial Government was allocated to the Summer Village in the current year from the Federal Gas Tax Fund and is restricted to eligible capital projects as approved under the funding agreement. Funds from this grant are being deferred for a future project. Unexpended funds related to the advance are supported by restricted cash held exclusively for this project (refer to Note 2).

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 Val Quentin be disclosed as follows:

	2016	2015
Total debt limit	\$ 573,243	\$ 481,047
Total debt	-	-
Amount of debt limit unused	573,243	481,047
Debt servicing limit	95,541	80,175
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 95,541	\$ 80,175

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.

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

8. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in Tangible Capital Assets is comprised of:

	2016	2015
Tangible Capital Assets (Note 5)	\$ 1,452,889	\$ 1,371,549
Accumulated amortization (Note 5)	(311,580)	(281,709)
	\$ 1,141,309	\$ 1,089,840

9. ACCUMULATED SURPLUS

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

	2016	2015
Operating reserve	\$ 250,835	\$ 226,703
Restricted reserve	268,374	268,374
Equity in tangible capital assets	1,141,309	1,089,840
	\$ 1,660,518	\$ 1,584,917

10. SEGMENTED DISCLOSURE

The Summer Village of Val Quentin 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 5).

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

11. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

			2016		2015	
	Salary (1)	Benefits & allowances (2)	Total		Total	
B. Lehman	\$ 8,650	\$ -	\$ 8,650	\$	6,800	
M. Walsh	5,525	-	5,525		5,050	
R. Montpellier	4,050	-	4,050		3,825	
Chief Administrative Officer	34,320	-	34,320		34,320	
	\$ 52,545	\$ -	\$ 52,545	\$	49,995	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

12. COMMITMENTS

The Summer Village is part of the Tri-Village Regional Sewer Services Commission to provide sewage services to participating municipalities. All participating municipalities are committed to contribute their proportionate costs annually as per the agreement terms. The Summer Village is responsible for approximately 13% of the annual operating costs and debenture payments.

Related to this commitment in the current year were wastewater treatment and disposal operating costs of \$107,412 (2015 - \$69,996) and debenture payments of \$17,640 (2015 - \$17,640). Future annual debenture commitments including the principle and interest amount are as follows:

2017	\$ 17,640
2018	17,640
2019	17,640
2020	17,640
2021	17,640
Thereafter	<u>185,220</u>
	<u>\$ 273,420</u>

SUMMER VILLAGE OF VAL QUENTIN
Notes to Consolidated Financial Statements
Year Ended December 31, 2016

13. 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.

14. CONTINGENT LIABILITY

The municipality is a member of the MUNIX Reciprocal Insurance Exchange. 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.

15. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

16. COMPARATIVE FIGURES

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

17. BUDGET AMOUNTS

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