

**VILLAGE OF CHIPMAN**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**AMZAD AMIRI PROFESSIONAL CORPORATION**

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**AUDITOR'S REPORT**

To the Members of Council:  
Village of Chipman

***Report on the Consolidated Financial Statements***

I have audited the accompanying consolidated financial statements of Village of Chipman, which comprise the statement of financial position as at December 31, 2010, and the 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***


My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Village of Chipman as at December 31, 2010, 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.



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Certified General Accountant

April 26, 2011  
Edmonton, Alberta

**Village of Chipman**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2010**

	2010	2009
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 526,622	\$ 649,636
Receivables		
Taxes and grants in place of taxes (Note 2)	60,034	44,652
Trade and other receivables	156,577	546,635
Land held for resale	57,640	57,640
Investments	10	10
	<u>800,883</u>	<u>1,298,573</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 46,520	\$ 199,668
Deposit liabilities	39,759	39,059
Short-term debt (Note 3)	-	450,000
Long-term debt (Note 3)	752,536	844,148
	<u>838,815</u>	<u>1,532,875</u>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<u>(37,932)</u>	<u>(234,302)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	3,534,055	3,498,408
Prepaid expenses	10,148	15,501
	<u>3,544,203</u>	<u>3,513,909</u>
<b>ACCUMULATED SURPLUS (Note 6)</b>	<u>\$ 3,506,271</u>	<u>\$ 3,279,608</u>

**Village of Chipman**  
**Consolidated Statement of Operations**  
**For The Year Ended December 31, 2010**

	Budget (Unaudited)	2010	2009
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	\$ 226,617	\$ 280,363	\$ 200,299
User fees and sales of goods	199,600	224,175	168,750
Government transfers (Schedule 4)	60,341	60,150	80,234
Investment income	-	1,272	1,678
Penalties and costs of taxes	-	22,164	15,888
Licenses and permits	6,320	1,999	495
Gain on disposal of capital assets	-	-	4,764
Other	17,900	(84)	110
<b>Total Revenue</b>	<u>510,778</u>	<u>590,039</u>	<u>472,218</u>
<b>EXPENDITURES</b>			
Operating			
Legislative	15,524	16,635	15,572
Administration	137,460	151,044	119,686
Fire, ambulance, and Bylaws enforcement	44,442	54,844	41,193
Common services	10,932	9,836	11,367
Roads, streets, walks, lighting	203,634	112,168	85,846
Water supply and waste water treatment	73,221	70,373	75,132
Waste management	15,944	12,396	15,633
Community services	20,910	26,166	27,467
Community Hall	4,291	6,386	4,621
Parks and recreation	9,971	10,816	12,559
Subdivision land development	50,800	-	1,915
Amortization	-	151,496	148,676
Loss on disposal of capital assets	-	-	675
<b>Total Expenses</b>	<u>587,129</u>	<u>622,160</u>	<u>560,342</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES - BEFORE OTHER</b>	(76,351)	(32,121)	(88,124)
<b>OTHER</b>			
Contributed assets	-	15,000	23,857
Government transfers for capital (Schedule 4)	208,839	243,787	548,112
	<u>208,839</u>		
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	132,488	226,666	483,845
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>3,279,605</u>	<u>3,279,605</u>	<u>2,795,760</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 3,412,093</u>	<u>\$ 3,506,271</u>	<u>\$ 3,279,605</u>

**Village of Chipman**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**  
**For The Year Ended December 31, 2010**

	Budget (Unaudited)	2010	2009
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ 132,488</u>	<u>\$ 226,666</u>	<u>\$ 483,845</u>
Acquisition of tangible capital assets	(314,739)	(172,145)	(1,255,255)
Contributed tangible capital assets	-	(15,000)	(23,856)
Proceeds of disposal of tangible capital assets	-	-	42,800
Amortization of tangible capital assets	-	151,496	148,676
(Gain) loss on sale of tangible capital assets	-	-	(4,090)
	<u>(314,739)</u>	<u>(35,649)</u>	<u>(1,091,725)</u>
Acquisition of supplies inventories	-	-	-
Acquisition of prepaid assets	-	(16,725)	(23,608)
Use of supplies inventories	-	-	-
Use of prepaid assets	-	22,078	20,190
	<u>-</u>	<u>5,353</u>	<u>(3,418)</u>
<b>(INCREASE) DECREASE IN NET DEBT</b>	(182,251)	196,370	(611,298)
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<u>(234,302)</u>	<u>(234,302)</u>	<u>376,996</u>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<u>\$ (416,553)</u>	<u>\$ (37,932)</u>	<u>\$ (234,302)</u>

**Village of Chipman  
Consolidated Statement of Cash Flows  
For The Year Ended December 31, 2010**

	2010	2009
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (shortfall) of revenues over expenses	\$ 226,666	\$ 483,845
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	151,496	148,676
Loss (gain) on disposal of tangible capital assets	-	(4,089)
Tangible capital assets received as contributions	(15,000)	(23,856)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(15,382)	(14,718)
Decrease (increase) in trade and other receivables	390,058	(500,685)
Decrease (increase) in land held for sale	-	-
Decrease (increase) in prepaid expenses	5,353	(3,418)
Increase (decrease) in accounts payable and accrued liabilities	(153,148)	146,959
Increase (decrease) in deposit liabilities	700	350
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in employee benefit obligations	-	-
Increase (decrease) in provision for landfill closure and post-closure costs	-	-
Cash provided by operating transactions	<u>590,743</u>	<u>233,064</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(172,146)	(1,255,255)
Sale of tangible capital assets	-	42,800
Cash provided by capital transactions	<u>(172,146)</u>	<u>(1,212,455)</u>
<b>INVESTING</b>		
Decrease (increase) in restricted cash and temp. investments	-	-
Decrease (increase) in investments	-	-
Cash provided by (applied to) investing transactions	<u>-</u>	<u>-</u>
<b>FINANCING</b>		
Debt charges recovered	-	-
Long-term debt issued	-	1,195,000
Long-term debt repaid	(541,612)	(65,941)
Cash provided by (applied to) financing transactions	<u>(541,612)</u>	<u>1,129,059</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	(123,015)	149,668
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	649,637	499,969
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 526,622</u>	<u>\$ 649,637</u>

**Village of Chipman**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended December 31, 2010**

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	2010	2009
Cash and cash equivalents is made up of:		
Cash and temporary investments	\$ 526,622	\$ 649,637
Less: restricted portion of cash and temporary investments	-	-
Temporary bank indebtedness	-	-
	<u>\$ 526,622</u>	<u>\$ 649,637</u>

**Village of Chipman**  
**Schedule of Changes in Accumulated Surplus**  
**For The Year Ended December 31, 2010**  
**Schedule 1**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010	2009
<b>Balance, Beginning of Year</b>	1,019,902	55,443	2,204,260	\$3,279,605	\$2,795,760
Excess(deficiency) of revenue over expenses	226,666	-	-	226,666	483,845
Current year funds used for tangible capital assets	(172,145)	-	172,145	-	-
Contributed tangible capital assets	(15,000)	-	15,000	-	-
Annual amortization expense	151,496	-	(151,496)	-	-
Long term debt repaid	(541,612)	-	541,612	-	-
Transfer to Reserves	(220,000)	220,000			
	<u>(570,595)</u>	<u>220,000</u>	<u>577,261</u>	<u>226,666</u>	<u>483,845</u>
	<u>\$ 449,307</u>	<u>\$ 275,443</u>	<u>\$ 2,781,521</u>	<u>\$3,506,271</u>	<u>\$3,279,605</u>



**Village of Chipman**  
**Schedule of Tangible Capital Assets**  
**For The Year Ended December 31, 2010**  
**Schedule 2**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2010	2009
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	137,933	92,749	343,560	3,990,779	296,696	171,205	5,032,922	3,805,613
Acquisition of tangible capital assets			-	105,144	59,500	22,500	187,144	1,279,111
Disposal of tangible capital assets	-	-	-	-	-	-	-	(51,802)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
BALANCE, YEAR OF YEAR	<u>137,933</u>	<u>92,749</u>	<u>343,560</u>	<u>4,095,923</u>	<u>356,196</u>	<u>193,705</u>	<u>5,220,066</u>	<u>5,032,922</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	12,366	60,750	1,281,323	112,386	67,689	1,534,514	1,398,929
Annual amortization	-	6,183	7,140	107,537	19,137	11,498	151,495	148,676
Accumulated amortization on disposals	-	-	-	-	-	-	-	(13,091)
BALANCE, END OF YEAR	<u>-</u>	<u>18,549</u>	<u>67,890</u>	<u>1,388,860</u>	<u>131,523</u>	<u>79,187</u>	<u>1,686,009</u>	<u>1,534,514</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>137,933</u>	<u>74,200</u>	<u>275,670</u>	<u>2,707,063</u>	<u>224,673</u>	<u>114,518</u>	<u>3,534,057</u>	<u>3,498,408</u>
<b>2009 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>137,933</u>	<u>80,383</u>	<u>282,810</u>	<u>2,709,456</u>	<u>184,310</u>	<u>103,516</u>	<u>3,498,408</u>	

**Village of Chipman**  
**Schedule of Property and Other Taxes**  
**For The Year Ended December 31, 2010**  
**Schedule 3**

	Budget (Unaudited)	2010	2009
<b>TAXATION</b>			
Real property taxes	\$ 265,608	\$ 258,045	\$ 224,329
Linear property taxes	-	59,197	9,595
Business taxes	-	-	-
Government grants in place of property taxes	-	2,112	2,136
Special assessments and local improvement taxes	-	-	-
	<u>265,608</u>	<u>319,354</u>	<u>236,060</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	34,212	34,212	31,413
Seniors Lodge	4,779	4,779	4,348
	<u>38,991</u>	<u>38,991</u>	<u>35,761</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 226,617</u>	<u>\$ 280,363</u>	<u>\$ 200,299</u>

**Village of Chipman**  
**Schedule of Government Transfers**  
**For The Year Ended December 31, 2010**  
**Schedule 4**

	Budget (Unaudited)	2010	2009
<b>TRANSFERS FOR OPERATING:</b>			
Provincial Government	\$ -	\$ 58,067	\$ 77,151
Other Local Governments	-	2,083	2,083
Other	-	-	1,000
	<u>-</u>	<u>60,150</u>	<u>80,234</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	-	227,160	548,112
Federal Government	-	16,627	-
	<u>-</u>	<u>243,787</u>	<u>548,112</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ -</u>	<u>\$ 303,937</u>	<u>\$ 628,346</u>

**Village of Chipman**  
**Schedule of Consolidated Expenditures by Object**  
**For The Year Ended December 31, 2010**  
**Schedule 5**

	Budget (Unaudited)	2010	2009
<b>CONSOLIDATED EXPENDITURES BY OBJECT</b>			
Salaries, wages and benefits	\$ 153,062	\$ 165,358	\$ 141,761
Contracted and general services	176,335	86,233	58,951
Materials, goods and utilities	101,094	158,366	170,267
Amortization	-	151,496	148,676
Other	-	367	-
Interest on long-term debt	37,002	38,525	16,661
Purchases from Other Government	26,024	21,815	24,026
	<u>\$ 493,517</u>	<u>\$ 622,160</u>	<u>\$ 560,342</u>

**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Village of Chipman are the representations of management prepared in accordance with 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 Village are as follows:

**Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net accumulated surpluses and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Village of Chipman Fire Department

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.

**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.

**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

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**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 report amounts 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.

**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 their respective function.

**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.

**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

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**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 revenue 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:

	<b>YEARS</b>
Land Improvements	15-20
Buildings	25-50
Engineered structures	
Water system	35-65
Wastewater system	35-65
Other engineered structures	15-40
Machinery and equipment	5-20
Vehicles	3-20

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.

**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) Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

**2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES**

	2010	2009
Current taxes and grants in place of taxes	\$ 43,233	\$ 29,632
Arrears taxes	16,801	15,020
	\$ 60,034	\$ 44,652

**3. SHORT AND LONG-TERM DEBT**

	2010	2009
Tax supported debentures - Long term	752,536	\$ 844,148
Bank loan - Short term	-	450,000
	\$ 752,536	\$1,294,148

The current portion of the long-term debt amounts to \$ 25,996 (2009 - \$ 541,616).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2011	25,996	34,139	60,135
2012	27,198	32,938	60,136
2013	28,455	31,681	60,136
2014	29,770	30,366	60,136
2015	31,146	28,990	60,136
Thereafter	609,971	220,704	830,675
	\$ 752,536	\$ 378,818	\$1,131,354

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates of 3.405% and 4.59% per annum and matures in periods 2025 through 2029. Debenture debt is issued on the credit and security of the town at large.

Interest on long-term debt amounted to \$ 38,525 (2009 - \$ 16,661).

The Village's cash payments for interest in 2010 were \$ 41,385 (2009 - \$ 5,348).



**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

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**4. 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 Village of Chipman be disclosed as follows:

	2010	2009
Total debt limit	\$ 885,057	\$ 701,183
Total debt	<u>752,536</u>	<u>1,294,148</u>
Amount of debt limit unused (overused)	<u>\$ 132,521</u>	<u>\$ (592,965)</u>
Debt servicing limit	\$ 147,510	\$ 116,864
Debt servicing	<u>60,135</u>	<u>583,080</u>
Amount of debt servicing limit unused (overused)	<u>\$ 87,375</u>	<u>\$ (466,216)</u>

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.

**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

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**5. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2010	2009
Tangible capital assets (Schedule 2)	\$ 5,220,066	\$5,032,922
Accumulated Amortization (Schedule 2)	(1,686,009)	(1,534,514)
Long-term debt (Note 3)	(752,536)	(1,294,148)
	<u>\$2,781,521</u>	<u>\$2,204,260</u>

**6. ACCUMULATED SURPLUS**

	2010	2009
Unrestricted Surplus (Deficit)	\$ 449,307	\$1,019,905
Restricted Surplus		
Streets & Roads	275,443	55,443
Equity in tangible capital assets	2,781,521	2,204,260
	<u>\$3,506,271</u>	<u>\$3,279,608</u>

**Village of Chipman**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2010**

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**7. 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:

	2010			2009
	Salary <sup>1</sup>	Benefits & Allowances <sup>2</sup>	Total	
Mayor	\$ 7,200	\$ 674	\$ 7,874	\$ 8,093
Councillor Stribling	3,000	96	3,096	3,715
Councillor Stead	3,000	96	3,096	3,715
Councillor Warren	600	-	600	-
Councillor Lindeman	600	-	600	-
Town Manager	38,912	4,200	43,112	38,245

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of employee benefits and contributions or payments made on behalf of employees including health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance.

**8. FINANCIAL INSTRUMENTS**

The Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Village is not exposed to significant interest or current risks arising from these financial instruments.

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

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

**9. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.