

SUMMER VILLAGE OF SOUTH VIEW
Consolidated Financial Statements
Year Ended December 31, 2019

SUMMER VILLAGE OF SOUTH VIEW
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Year Ended December 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of South View is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Summer Village's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Summer Village Council carries out its responsibilities for review of the consolidated financial statements principally through its Council meetings. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Summer Village Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Seniuk and Company, Chartered Professional Accountants, independent external auditors appointed by the Summer Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

The consolidated financial statements have been audited on behalf of the members of council by Seniuk and Company, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

Ms. Wendy Wildman, CAO

Alberta Beach, Alberta
April 15, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Summer Village of South View

Opinion

We have audited the consolidated financial statements of Summer Village of South View (the "Summer Village") which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Summer Village as at December 31, 2019, and the consolidated results of its operations and consolidated cash flows for the year then ended 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 Consolidated Financial Statements* section of our report. We are independent of the Summer Village in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS 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.

In preparing the consolidated financial statements, management is responsible for assessing the Summer Village'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 Summer Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Summer Village's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 these consolidated financial statements.

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 consolidated financial statements, 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 Summer Village'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 Summer Village'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 consolidated financial statements 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 Summer Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Summer Village's debt limit can be found in Note 7.

- Supplementary Accounting Principles and Standards Regulation (Salary and Benefit Disclosure):

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 9.

Edmonton, Alberta
April 15, 2020

Seniuk & Company
**Seniuk and Company,
Chartered Professional Accountants**

SUMMER VILLAGE OF SOUTH VIEW
Consolidated Statement of Financial Position
December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 308,941	\$ 299,820
Taxes and grants in place of taxes <i>(Note 3)</i>	33,232	38,076
Grants and receivables from other governments <i>(Note 4)</i>	199,510	127,707
Trade and other receivables	81	6,165
	\$ 541,764	\$ 471,768
LIABILITIES		
Accounts payable	\$ 32,806	\$ 6,336
Deferred income <i>(Note 6)</i>	259,101	226,796
	291,907	233,132
NET FINANCIAL ASSET (DEBT)	249,857	238,636
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 5)</i>	718,625	757,545
Prepaid expenses	-	-
	718,625	757,874
ACCUMULATED SURPLUS	\$ 968,482	\$ 996,510
CONTINGENT LIABILITIES		

On behalf of Council

_____ *Mayor*

_____ *CAO*

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW
Consolidated Statement of Operations
Year Ended December 31, 2019

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
REVENUE			
Net municipal taxes (Schedule 1)	\$ 181,207	\$ 181,127	\$ 176,018
User fees and sale of goods	4,650	5,696	3,805
Government transfers for operating	52,767	36,392	35,963
Investment income	1,500	5,114	2,365
Penalties and costs of taxes	7,901	8,309	7,616
Licenses and permits	3,400	4,605	1,210
Other	15,125	3,125	1,815
Total revenue	266,550	244,368	228,792
EXPENSES			
Administration and legislative	86,361	92,765	84,414
Fire service	12,500	12,144	12,134
Bylaw enforcement and bylaw project	49,604	32,707	36,109
Roads, streets, walks and lighting	25,400	24,038	24,698
Waste and wastewater management	11,350	10,340	7,354
Family and community support	4,385	4,567	4,954
Land use planning, zoning and development	12,825	22,581	10,078
Parks and recreation	46,402	33,046	34,937
Libraries, museums and halls	1,289	1,288	288
Total operating expenses	250,116	233,476	214,966
Excess (deficiency) of revenue over expenses before other	16,434	10,892	13,826
OTHER			
Government transfers for capital	107,290	4,475	2,815
Amortization	-	(43,395)	(42,573)
	107,290	(38,920)	(39,758)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	123,724	(28,028)	(25,932)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	996,510	1,022,442
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ 968,482	\$ 996,510

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2019

	2019	2018
Excess (Shortfall) of Revenues Over Expenses	\$ (28,028)	\$ (25,932)
Acquisition of tangible capital assets	(4,474)	(1,235)
Amortization of tangible capital assets	43,395	42,573
Use of prepaids	328	\$ (329)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	11,221	15,077
Net financial assets (debt), beginning of year	238,636	223,559
NET ASSETS - END OF YEAR	\$ 249,857	\$ 238,636

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW
Consolidated Statement of Cash Flows
Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (28,028)	\$ (25,932)
Item not affecting cash:		
Amortization	43,395	42,573
	15,367	16,641
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	4,844	(17,834)
Trade and other receivables	6,084	(4,649)
Grants and receivables from other governments	(71,803)	(77,548)
Accounts payable	26,468	(74,286)
Prepaid expenses	329	(329)
Deferred income	32,305	76,609
	(1,773)	(98,037)
Cash flow from (used by) operating activities	13,594	(81,396)
INVESTING ACTIVITY		
Purchase of capital assets	(4,475)	(1,235)
INCREASE (DECREASE) IN CASH FLOW	9,119	(82,631)
Cash - beginning of year	299,821	382,452
CASH - END OF YEAR (Note 2)	\$ 308,940	\$ 299,821

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW
Consolidated Schedule of Property and Other Taxes
(Schedule 1)
Year Ended December 31, 2019

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
TAXATION			
Real property tax	\$ 223,361	\$ 223,661	\$ 218,388
Linear property taxes	2,531	2,531	2,312
Special assessments	5,535	5,535	5,535
	231,427	231,727	226,235
REQUISITIONS			
Alberta School Foundation	46,324	46,713	46,324
Seniors' housing requisition	3,897	3,887	3,893
	50,221	50,600	50,217
NET MUNICIPAL TAXES	\$ 181,206	\$ 181,127	\$ 176,018

Consolidated Schedule of Government Transfers
(Schedule 2)

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
TRANSFERS FOR OPERATING			
Provincial Government	\$ 52,767	\$ 36,392	\$ 21,963
Other Local Governments	-	-	14,000
	52,767	36,392	35,963
		36,392	
TRANSFERS FOR CAPITAL			
Provincial Government	107,290	4,475	2,815
TOTAL GOVERNMENT TRANSFERS	\$ 160,057	\$ 40,867	\$ 38,778

Consolidated Schedule of Consolidated Expenditures by Object
(Schedule 3)

	Budget (Unaudited) 2019	Actual 2019	Actual 2018
EXPENSES			
Salaries, wages & benefits	\$ 7,000	\$ 7,649	\$ 6,853
Contracted and general services	206,542	196,686	186,642
Materials, goods and utilities	20,900	23,286	16,229
Transfer to local boards and agencies	5,674	5,855	5,242
Total Consolidated Expenditures by Object	\$ 240,116	\$ 233,476	\$ 214,966

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW

**Consolidated Schedule of Segmented Disclosure
Year Ended December 31, 2019**

(Schedule 4)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Total
REVENUE							
Net municipal taxes	\$ 181,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,127
Government transfers for operating	11,537	24,132	-	-	3,808	-	39,477
User fees and sales of goods	225	-	-	-	5,471	-	5,696
Investment income	5,114	-	-	-	-	-	5,114
Other revenues	11,434	-	-	1,520	-	-	12,954
	209,437	24,132	-	1,520	9,279	-	244,368
EXPENSES							
Contract & general services	80,627	47,963	9,827	6,574	44,709	6,984	196,684
Salaries & wages	7,650	-	-	-	-	-	7,650
Materials, goods & utilities	791	-	14,212	4,927	-	3,356	23,286
Transfers to local boards	-	-	-	-	5,855	-	5,855
	89,068	47,963	24,039	11,501	50,564	10,340	233,475
Excess (deficiency) of revenue over expenses before other	120,369	(23,831)	(24,039)	(9,981)	(41,285)	(10,340)	10,893
OTHER INCOME (EXPENSE)							
Amortization	(173)	-	(35,762)	-	(5,381)	(2,080)	(43,396)
Government transfers for capital	-	-	4,475	-	-	-	4,475
	(173)	-	(31,287)	-	(5,381)	(2,080)	38,921
INCOME FROM OPERATIONS	\$ 120,196	\$ (23,831)	\$ (50,851)	\$ (9,981)	\$ (46,666)	\$ (12,420)	\$ (28,028)

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW

Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2019

(Schedule 5)

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	Total 2019	Total 2018
BALANCE, BEGINNING OF YEAR	\$ 64,019	\$ 85,104	\$ 89,843	\$ 757,545	\$ 996,511	\$ 1,022,442
Excess (deficiency) of revenues over expenses	(28,028)	-	-	-	(28,028)	(25,932)
Current year funds used for tangible capital assets	(4,475)	-	-	4,475	-	-
Annual amortization expense	43,395	-	-	(43,395)	-	-
Net transfers to/from reserves	(20,213)	9,143	11,070	-	-	-
	(9,321)	9,143	11,070	(38,920)	(28,028)	(25,932)
BALANCE, END OF YEAR	\$ 54,698	\$ 94,247	\$ 100,913	\$ 718,625	\$ 968,483	\$ 996,510

The accompanying notes form an integral part of these financial statements

SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of South View 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 South View (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 SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

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

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SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

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 has 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.

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SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

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

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 - 25 years
Buildings	25 - 50 years
Machinery and equipment	10 - 15 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.

2. CASH AND TEMPORARY INVESTMENTS

	2019	2018
Cash	\$ 244,535	\$ 208,623
Restricted cash	64,405	48,972
Restricted term deposits	-	42,226
	\$ 308,940	\$ 299,821

Short term deposits are temporary investments with maturities of one year or less.

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

3. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2019	2018
Current taxes and grants in place of taxes	\$ 20,304	\$ 21,805
Arrears taxes and grants in place of taxes	12,928	16,271
	\$ 33,232	\$ 38,076

SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2019	2018
Government grants receivable	\$ 193,749	\$ 124,315
Goods and Services Tax refundable	5,761	3,392
	\$ 199,510	\$ 127,707

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 173,252	\$ -	\$ 173,252	\$ 173,252
Land improvements	72,286	60,581	11,705	15,098
Engineered structures	842,893	336,953	505,940	562,711
Buildings	10,701	4,574	6,127	6,299
Machinery and equipment	33,049	11,448	21,601	185
	\$ 1,132,181	\$ 413,556	\$ 718,625	\$ 757,545

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:

	2019	2018
Municipal Sustainability Initiative - Capital	\$ 239,755	\$ 173,819
Alberta Community Partnership (ACP) Program	18,398	41,694
Other deferred revenue	500	10,625
Prepaid taxes	448	658
	\$ 259,101	\$ 226,796

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.

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SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

6. DEFERRED REVENUE *(continued)*

2019 2018

Alberta Community Partnership (ACP) Program

Funding from the Provincial Government was allocated to the Summer Village from the Alberta Community Partnership (ACP) Program. The program funding is restricted to projects related to developing an inventory of municipal bylaws and policies and for conducting an analysis to guide intermunicipal operations in partnership with the Town of Onoway and the Summer Villages of Nakamun Park, Silver Sands, Sunrise Beach, Sunset Beach, West Cove and Yellowstone. These funds are held "in trust" by the Summer Village on behalf of all the participating municipalities. Unexpended funds, related to the advance from the Provincial Government, are supported by restricted cash and term deposits held exclusively for these projects (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 South View be disclosed as follows:

	2019	2018
Total debt limit	\$ 366,552	\$ 343,188
Total debt	-	-
Amount of debt limit unused	366,552	343,188
Debt servicing limit	61,092	57,198
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 61,092	\$ 57,198

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 South View 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).

SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

9. 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:

			2019		2018	
	Honorarium / Salary (1)	Benefits & allowances (2)	Total	Total	Total	Total
S. Benford - Councilor	\$ 3,900	\$ -	\$ 3,900	\$ 3,750		
G. Ward. - Councilor	2,250	-	2,250	1,525		
B. Johnson - Councilor	1,500	-	1,500	1,575		
Designated Officers	15,910	-	15,910	15,795		
Administration	37,579	-	37,579	36,842		
	\$ 61,139	\$ -	\$ 61,139	\$ 59,487		

1. Honorariums and salaries includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Administrative services are paid via contract for the Chief Administrative Officer and designated officers.

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.

10. 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

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Summer Village manages exposure through its normal operating and financing activities.

The Summer Village is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

SUMMER VILLAGE OF SOUTH VIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2019

11. CONTAMINATED SITES

The municipality has adopted PS3260 Liability for Contaminated Sites. The municipality did not identify any financial liabilities in 2019 (2018 – Nil) as a result of this standard.

12. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

13. BUDGET AMOUNTS

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