
SUMMER VILLAGE OF SOUTH VIEW

FINANCIAL STATEMENTS

DECEMBER 31, 2012

SUMMER VILLAGE OF SOUTH VIEW

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AUDITOR'S REPORT

To the Members of Council

Report on the Financial Statements

I have audited the accompanying statements of the Summer Village of South View that comprise the statement of financial position as at December 31, 2012, and the statements of operation, change 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of the Summer Village of South View as at December 31, 2012, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta
April 25, 2013


Professional Corporation

CHARTERED ACCOUNTANT

SUMMER VILLAGE OF SOUTH VIEW

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash	\$ 77,350	\$ 53,458
Short term investments – Note 2	127,109	125,791
Taxes receivable	22,219	22,707
Trade and other receivables	15,532	11,966
Government transfers receivable	-	11,833
	<u>242,210</u>	<u>225,755</u>
Liabilities		
Payables and accrued liabilities	17,791	27,254
Deferred revenue – Note 3	74,684	55,915
	<u>92,475</u>	<u>83,169</u>
Net Financial Assets	149,735	142,586
Non-Financial Assets		
Tangible capital assets	<u>642,621</u>	<u>587,752</u>
Accumulated Surplus	<u>\$ 792,356</u>	<u>\$ 730,338</u>

Approved by Council

Sandi Sanford Mayor

[Signature] Chief Administrative Officer

SUMMER VILLAGE OF SOUTH VIEW

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2012

	Budget Unaudited	2012	2011
Revenues			
Net municipal property taxes	\$ 131,460	\$ 131,431	\$ 124,863
User fees and sale of goods	3,100	3,260	3,655
Government transfers for operating	13,674	13,674	13,707
Licenses and permits	250	248	718
Penalties on taxes	6,000	6,678	4,977
Investment income	1,000	575	1,502
	<u>155,484</u>	<u>155,866</u>	<u>149,422</u>
Expenses			
Council	17,640	13,152	12,804
Administration	52,167	51,962	49,377
Fire	12,988	12,995	13,911
Disaster and emergency services	1,128	1,128	860
Bylaw enforcement	5,254	5,255	3,917
Public works	15,000	6,537	14,870
Roads, streets, walks, lighting	20,200	19,977	23,150
Waste management	10,300	9,160	10,272
Family and community support	3,655	3,655	3,655
Planning and development	4,000	4,073	4,086
Parks and recreation	12,302	25,133	11,266
	<u>154,634</u>	<u>153,027</u>	<u>148,168</u>
Excess Revenue Over Expenses Before Other	<u>850</u>	<u>2,839</u>	<u>1,254</u>
Other Revenue (Expenses)			
Government transfers for capital	163,191	88,991	138,181
Amortization of tangible assets	-	(29,812)	(24,344)
	<u>163,191</u>	<u>59,179</u>	<u>113,837</u>
Excess of Revenue Over Expenses	164,041	62,018	115,091
Accumulated Surplus, Beginning of Year	<u>730,338</u>	<u>730,338</u>	<u>615,247</u>
Accumulated Surplus, End of Year	<u>\$ 894,379</u>	<u>\$ 792,356</u>	<u>\$ 730,338</u>

SUMMER VILLAGE OF SOUTH VIEW

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u> <u>Unaudited</u>	<u>2012</u>	<u>2011</u>
Excess of Revenues Over Expenses	\$ 164,041	\$ 62,018	\$ 115,091
Changes in Non-Financial Assets			
Acquisition of tangible capital assets	(163,191)	(84,681)	(134,185)
Amortization of tangible capital assets	-	29,812	24,344
	<u>(163,191)</u>	<u>(54,869)</u>	<u>(109,841)</u>
Increase in Net Financial Assets	850	7,149	5,250
Net Financial Assets, Beginning of Year	<u>142,586</u>	<u>142,586</u>	<u>137,336</u>
Net Financial Assets, End of Year	\$ <u>143,436</u>	\$ <u>149,735</u>	\$ <u>142,586</u>

SUMMER VILLAGE OF SOUTH VIEW

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
Cash Provided By (Used For)		
Operating Activities		
Excess of revenues over expenses	\$ 62,018	\$ 115,091
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	<u>29,812</u>	<u>24,344</u>
	91,830	139,435
Net change in non-cash working capital		
Taxes receivable	488	(6,954)
Trade and other receivables	(3,566)	(7,369)
Government transfers receivable	11,833	(11,833)
Payables and accrued liabilities	(9,463)	23,556
Deferred revenue	<u>18,769</u>	<u>(43,576)</u>
	109,891	93,259
Capital Activities		
Acquisition of tangible capital assets	(84,681)	(134,185)
Investing Activities		
Increase in short term investments	<u>(1,318)</u>	<u>(72,923)</u>
Increase (Decrease) in Cash	23,892	(113,849)
Cash, Beginning of Year	<u>53,458</u>	<u>167,307</u>
Cash, End of Year	<u>\$ 77,350</u>	<u>\$ 53,458</u>

SUMMER VILLAGE OF SOUTH VIEW

**CHANGE IN ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2012**

Schedule 1

				<u>2012</u>	<u>2011</u>
	<u>Unrestricted Surplus</u>	<u>Restricted Surplus Note 4</u>	<u>Equity in Tangible Capital Assets</u>	<u>Total</u>	<u>Total</u>
Balance, Beginning of Year	\$ 25,950	\$ 116,636	\$ 587,752	\$ 730,338	\$ 615,247
Excess of revenues over expenses	62,018	-	-	62,018	115,091
Unrestricted funds designated for future use	(5,850)	5,850	-	-	-
Current funds used for tangible capital assets	(84,681)	-	84,681	-	-
Annual amortization expense	<u>29,812</u>	<u>-</u>	<u>(29,812)</u>	<u>-</u>	<u>-</u>
	<u>1,299</u>	<u>5,850</u>	<u>54,869</u>	<u>62,018</u>	<u>115,091</u>
Balance, End of Year	\$ <u>27,249</u>	\$ <u>122,486</u>	\$ <u>642,621</u>	\$ <u>792,356</u>	\$ <u>730,338</u>

SUMMER VILLAGE OF SOUTH VIEW

TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2012

Schedule 2

				2012	2011
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year	Balance, End of Year
Cost					
Land	\$ 173,252	\$ -	\$ -	\$ 173,252	\$ 173,252
Land improvements	71,051	-	-	71,051	71,051
Engineered structures	434,637	84,681	-	519,318	434,637
Buildings	10,701	-	-	10,701	10,701
Machinery and equipment	17,805	-	-	17,805	17,805
	<u>707,446</u>	<u>84,681</u>	<u>-</u>	<u>792,127</u>	<u>707,446</u>
Accumulated Amortization					
Land	-	-	-	-	-
Land improvements	33,557	3,424	-	36,981	33,557
Engineered structures	72,329	24,684	-	97,013	72,329
Buildings	3,195	173	-	3,368	3,195
Machinery and equipment	10,613	1,531	-	12,144	10,613
	<u>119,694</u>	<u>29,812</u>	<u>-</u>	<u>149,506</u>	<u>119,694</u>
Net Book Value					
Land				\$ 173,252	\$ 173,252
Land improvements				34,070	37,494
Engineered structures				422,305	362,308
Buildings				7,333	7,506
Machinery and equipment				5,661	7,192
				<u>\$ 642,621</u>	<u>\$ 587,752</u>

SUMMER VILLAGE OF SOUTH VIEW

PROPERTY TAXES LEVIED YEAR ENDED DECEMBER 31, 2012

Schedule 3

	Budget Unaudited	2012	2011
Taxation			
Real property taxes	\$ 180,159	\$ 180,130	\$ 168,400
Linear property taxes	<u>2,650</u>	<u>2,650</u>	<u>2,604</u>
	<u>182,809</u>	<u>182,780</u>	<u>171,004</u>
Requisitions			
Alberta School Foundation Fund	45,986	45,986	41,097
Lac Ste. Anne Foundation	<u>5,363</u>	<u>5,363</u>	<u>5,044</u>
	<u>51,349</u>	<u>51,349</u>	<u>46,141</u>
Net Municipal Property Taxes	<u>\$ 131,460</u>	<u>\$ 131,431</u>	<u>\$ 124,863</u>

EXPENDITURES BY OBJECT YEAR ENDED DECEMBER 31, 2012

Schedule 4

	Budget Unaudited	2012	2011
Salaries, wages and benefits	\$ 21,000	\$ 10,949	\$ 19,745
Contracted and general services	112,623	123,644	93,564
Purchases from other governments	5,689	5,225	20,434
Materials, goods and utilities	13,800	11,397	12,368
Transfer to local boards and agencies	1,522	1,812	2,057
Amortization of tangible capital assets	<u>-</u>	<u>29,812</u>	<u>24,344</u>
	<u>\$ 154,634</u>	<u>\$ 182,839</u>	<u>\$ 172,512</u>

SUMMER VILLAGE OF SOUTH VIEW

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

1. Significant Accounting Policies

The financial statements are the representations of the management of the Summer Village prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). 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 changes in cash flows of the Summer Village.

The schedule of taxes levied includes requisitions for education that are not part of the municipal reporting entity.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenue is recorded as it is earned and measurable and is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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.

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.

Deferred Revenue

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

SUMMER VILLAGE OF SOUTH VIEW

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

Significant Accounting Policies (continued)

Requisition Over-levies and Under-levies

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 the property tax revenue is increased.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

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 – 25
Engineered Structures	10 – 75
Buildings	25 – 50
Machinery and Equipment	10 – 15

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.

2. Short Term Investments

	<u>2012</u>	<u>2011</u>
Guaranteed Investment Certificates - non-redeemable, interest at 0.70% to 1.00%, matures January to September 2013	<u>\$ 127,109</u>	<u>\$ 125,791</u>

3. Deferred Revenue

	<u>2012</u>	<u>2011</u>
Government transfers	<u>\$ 74,684</u>	<u>\$ 55,915</u>

SUMMER VILLAGE OF SOUTH VIEW

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

4. Restricted Surplus

	<u>2012</u>	<u>2011</u>
Tax rate stabilization	\$ 70,205	\$ 70,205
Equipment replacement	3,643	3,643
Lagoon	39,650	33,800
Roads	<u>8,988</u>	<u>8,988</u>
	<u>\$ 122,486</u>	<u>\$ 116,636</u>

5. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 be disclosed. 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. The debt and debt service limits for the Summer Village of South View are as follows:

	<u>2012</u>	<u>2011</u>
Total debt limit	\$ 233,799	\$ 224,133
Total debt	<u>-</u>	<u>-</u>
Debt limit available	<u>\$ 233,799</u>	<u>\$ 224,133</u>
Total debt service limit	\$ 38,967	\$ 37,356
Total debt service	<u>-</u>	<u>-</u>
Debt service limit available	<u>\$ 38,967</u>	<u>\$ 37,356</u>

SUMMER VILLAGE OF SOUTH VIEW

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

6. Salary and Benefits Disclosure

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	<u>2012</u>			<u>2011</u>
	<u>Salary</u>	<u>Benefits & Allowances</u>	<u>Total</u>	<u>Total</u>
Councillors				
S. Benford	\$ 2,850	\$ -	\$ 2,850	\$ 2,925
H. Williams	750	-	750	900
G. Ward	675	-	675	1,050
	<u>\$ 4,275</u>	<u>\$ -</u>	<u>\$ 4,275</u>	<u>\$ 4,875</u>
Administration	\$ 30,561	\$ -	\$ 30,561	\$ 29,106

Salary includes honoraria paid to the Councillors and contract paid for administrative services provided by the Chief Administrative Officer and her staff.

7. Financial Instruments

The Summer Village's financial instruments consist of cash, short term investments, receivables, payables and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The Summer Village is subject to credit risk with respect to taxes, 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 minimizes the credit risk.

Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

8. Budget Figures

Budget figures for 2012, as approved by Council, are included in the financial statements for information purposes and are unaudited.
