
SUMMER VILLAGE OF YELLOWSTONE

FINANCIAL STATEMENTS

DECEMBER 31, 2011

SUMMER VILLAGE OF YELLOWSTONE

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J. A. PAWLUIK
PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT

Telephone: (780) 482-6317
Fax: (780) 482-6329
E-Mail: japawluikpc@telus.net

AUDITOR'S REPORT

To the Members of Council

Report on the Financial Statements

I have audited the accompanying statements of the Summer Village of Yellowstone that comprise the statement of financial position as at December 31, 2011, 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.

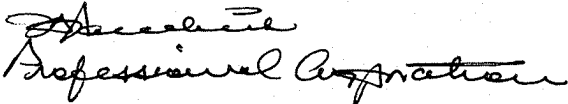
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Yellowstone as at December 31, 2011, 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 17, 2012


Professional Corporation

CHARTERED ACCOUNTANT

SUMMER VILLAGE OF YELLOWSTONE

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u> Restated
Financial Assets		
Cash	\$ 64,632	\$ 504,254
Short term investments – Note 2	551,000	-
Taxes receivable	24,539	27,426
Trade and other receivables	<u>10,085</u>	<u>4,654</u>
	<u>650,256</u>	<u>536,334</u>
Liabilities		
Payables and accrued liabilities	31,640	4,185
Deferred revenue – Note 3	<u>255,739</u>	<u>175,710</u>
	<u>287,379</u>	<u>179,895</u>
Net Financial Assets	<u>362,877</u>	<u>356,439</u>
Non-Financial Assets		
Tangible capital assets	657,786	576,833
Prepaid expenses	-	885
	<u>657,786</u>	<u>577,718</u>
Accumulated Surplus	<u>\$ 1,020,663</u>	<u>\$ 934,157</u>

Approved by Council

_____ Mayor

_____ Chief Administrative Officer

SUMMER VILLAGE OF YELLOWSTONE

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2011

	Budget Unaudited	2011	2010 Restated
Revenues			
Net municipal property taxes	\$ 188,546	\$ 188,133	\$ 178,769
User fees and sale of goods	-	275	175
Government transfers for operating	17,035	18,555	25,260
Penalties on taxes	6,000	8,554	6,981
Investment income	2,500	1,210	-
Local government transfers	1,700	1,700	1,700
Development levies	-	-	22,178
Other	-	396	1,287
	215,781	218,823	236,350
Expenses			
Council	23,700	20,948	21,917
Administration	48,480	49,446	44,529
By-law enforcement	5,072	5,129	5,396
Fire	18,014	18,214	12,859
Disaster and emergency services	1,701	1,247	561
Public works	16,500	24,492	14,382
Roads, streets, walks, lighting	21,200	21,595	66,071
Storm sewer and drainage	7,500	6,098	136
Water supply and distribution	1,816	1,816	1,716
Waste management	27,575	26,102	25,790
Planning and development	8,000	4,900	5,350
Recreation and parks	19,605	13,480	20,074
	199,163	193,467	218,781
Excess of Revenues Over Expenses Before Other Other Revenue (Expenses)	16,618	25,356	17,569
Government transfers for capital	46,000	83,080	44,029
Amortization of tangible capital assets	-	(21,930)	(19,963)
Gain on disposal of tangible capital assets	-	-	9,677
	46,000	61,150	33,743
Excess of Revenues Over Expenses	62,618	86,506	51,312
Accumulated Surplus, Beginning of Year	934,157	934,157	882,845
Accumulated Surplus, End of Year	\$ 996,775	\$ 1,020,663	\$ 934,157

SUMMER VILLAGE OF YELLOWSTONE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2011

	Budget Unaudited	2011	2010 Restated
Excess of Revenues Over Expenses	\$ 62,618	\$ 86,506	\$ 51,312
Changes in Non-Financial Assets			
Proceeds on disposal of tangible capital assets	-	-	10,000
Acquisition of tangible capital assets	(60,048)	(102,883)	(7,075)
Amortization of tangible capital assets	-	21,930	19,963
Gain on disposal of tangible capital assets	-	-	(9,677)
Prepaid expenses	-	885	(885)
	<u>(60,048)</u>	<u>(80,068)</u>	<u>12,326</u>
Increase in Net Financial Assets	2,570	6,438	63,638
Net Financial Assets, Beginning of Year	<u>362,877</u>	<u>356,439</u>	<u>292,801</u>
Net Financial Assets, End of Year	<u>\$ 365,447</u>	<u>\$ 362,877</u>	<u>\$ 356,439</u>

SUMMER VILLAGE OF YELLOWSTONE

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2011

	2011	2010
Cash Provided By (Used For)		
Operating Activities		
Excess of revenues over expenses	\$ 86,506	\$ 51,312
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	21,930	19,963
Gain on disposal of tangible capital assets	-	(9,677)
	108,436	61,598
Net change in non-cash working capital		
Taxes receivable	2,887	(5,048)
Trade and other receivables	(5,431)	768
Prepaid expenses	885	(885)
Payables and accrued liabilities	27,455	(26,891)
Deposit	-	(22,164)
Deferred revenue	80,029	(30,984)
	214,261	(23,606)
Capital Activities		
Proceeds on disposal of tangible capital assets	-	10,000
Acquisition of tangible capital assets	(102,883)	(7,075)
	(102,883)	2,925
Investing Activities		
Increase in short term investments	(551,000)	-
Decrease in Cash	(439,622)	(20,681)
Cash, Beginning of Year	504,254	524,935
Cash, End of Year	\$ 64,632	\$ 504,254

SUMMER VILLAGE OF YELLOWSTONE

CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2011

Schedule 1

				2011	2010
	Unrestricted Surplus	Restricted Surplus Note 4	Equity in Tangible Capital Assets	Total	Total Restated
Balance, Beginning of Year					
As previously reported	\$ 30,262	\$ 347,939	\$ 576,833	\$ 955,034	\$ 903,722
Prior period adjustment – Note 8	-	(20,877)	-	(20,877)	(20,877)
As restated	<u>30,262</u>	<u>327,062</u>	<u>576,833</u>	<u>934,157</u>	<u>882,845</u>
Excess of revenues over expenses	86,506	-	-	86,506	51,312
Unrestricted funds designated for future use	(15,570)	15,570	-	-	-
Restricted funds used for operations	11,270	(11,270)	-	-	-
Current funds used for tangible capital assets	(102,883)	-	102,883	-	-
Annual amortization expense	21,930	-	(21,930)	-	-
	<u>1,253</u>	<u>4,300</u>	<u>80,953</u>	<u>86,506</u>	<u>51,312</u>
Balance, End of Year	<u>\$ 31,515</u>	<u>\$ 331,362</u>	<u>\$ 657,786</u>	<u>\$ 1,020,663</u>	<u>\$ 934,157</u>

SUMMER VILLAGE OF YELLOWSTONE

TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2011

Schedule 2

				2011	2010
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year	Balance, End of Year
Cost					
Land	\$ 272,093	\$ -	\$ -	\$ 272,093	\$ 272,093
Land improvements	52,553	730	-	53,283	52,553
Engineered structures	319,187	215	-	319,402	319,187
Buildings	42,093	88,668	-	130,761	42,093
Machinery and equipment	18,520	13,270	-	31,790	18,520
Vehicles	4,000	-	-	4,000	4,000
	<u>708,446</u>	<u>102,883</u>	<u>-</u>	<u>811,329</u>	<u>708,446</u>
Accumulated Amortization					
Land	-	-	-	-	-
Land improvements	23,063	3,337	-	26,400	23,063
Engineered structures	74,629	13,306	-	87,935	74,629
Buildings	20,790	1,649	-	22,439	20,790
Machinery and equipment	9,531	3,638	-	13,169	9,531
Vehicles	3,600	-	-	3,600	3,600
	<u>131,613</u>	<u>21,930</u>	<u>-</u>	<u>153,543</u>	<u>131,613</u>
Net Book Value					
Land				\$ 272,093	\$ 272,093
Land improvements				26,883	29,490
Engineered structures				231,467	244,558
Buildings				108,322	21,303
Machinery and equipment				18,621	8,989
Vehicles				400	400
				<u>\$ 657,786</u>	<u>\$ 576,833</u>

SUMMER VILLAGE OF YELLOWSTONE

PROPERTY TAXES LEVIED YEAR ENDED DECEMBER 31, 2011

Schedule 3

	Budget Unaudited	2011	2010
Taxation			
Real property taxes	\$ 263,375	\$ 262,962	\$ 246,547
Linear property taxes	2,961	2,961	1,703
	<u>266,336</u>	<u>265,923</u>	<u>248,250</u>
Requisitions			
Alberta School Foundation Fund	69,722	69,722	62,456
Lac Ste. Anne Foundation	8,068	8,068	7,025
	<u>77,790</u>	<u>77,790</u>	<u>69,481</u>
Net Municipal Property Taxes	<u>\$ 188,546</u>	<u>\$ 188,133</u>	<u>\$ 178,769</u>

EXPENDITURES BY OBJECT YEAR ENDED DECEMBER 31, 2011

Schedule 4

	Budget Unaudited	2011	2010
Salaries, wages and benefits	\$ 22,400	\$ 28,396	\$ 20,301
Contracted and general services	126,315	114,380	158,195
Purchases from other governments	34,594	32,790	24,347
Materials, goods and utilities	13,100	15,124	13,474
Transfer to local boards and agencies	2,754	2,777	2,464
Amortization of tangible capital assets	-	21,930	19,963
	<u>\$ 199,163</u>	<u>\$ 215,397</u>	<u>\$ 238,744</u>

SUMMER VILLAGE OF YELLOWSTONE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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 YELLOWSTONE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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	10 – 25
Engineered Structures	10 – 75
Buildings	50
Machinery and Equipment	5 – 20
Vehicles	10

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 Investment

	<u>2011</u>	<u>2010</u>
Guaranteed Investment Certificate Redeemable, interest at 1.50%, matures June 2012	<u>\$ 551,000</u>	<u>\$ -</u>

3. Deferred Revenue

	<u>2011</u>	<u>2010</u>
Government transfers	<u>\$ 255,739</u>	<u>Restated</u> <u>\$ 175,710</u>

SUMMER VILLAGE OF YELLOWSTONE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

4. Restricted Surplus

	<u>2011</u>	<u>2010</u> Restated
Tax rate stabilization	\$ 79,192	\$ 79,192
Roads	10,000	10,000
General capital	110,480	111,750
Water system	38,993	32,073
Lagoon/wastewater	77,771	69,121
Parks and recreation	<u>14,926</u>	<u>24,926</u>
	<u>\$ 331,362</u>	<u>\$ 327,062</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 Yellowstone are as follows:

	<u>2011</u>	<u>2010</u>
Total debt limit	\$ 328,235	\$ 369,041
Total debt	<u>-</u>	<u>-</u>
Debt limit available	<u>\$ 328,235</u>	<u>\$ 369,041</u>
Total debt service limit	\$ 54,706	\$ 61,507
Total debt service	<u>-</u>	<u>-</u>
Debt service limit available	<u>\$ 54,706</u>	<u>\$ 61,507</u>

SUMMER VILLAGE OF YELLOWSTONE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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>2011</u>	<u>2010</u>
	<u>Salary</u>	<u>Benefits & Allowances</u>	<u>Total</u>	<u>Total</u>
Councillors				
R. Pointe	\$ 3,000	\$ -	\$ 3,000	\$ 3,150
A. Solesbury	4,150	-	4,150	3,325
W. Hanlan	3,150	-	3,150	2,450
	<u>\$ 10,300</u>	<u>\$ -</u>	<u>\$ 10,300</u>	<u>\$ 8,925</u>
Administration	\$ 26,460	\$ -	\$ 26,460	\$ 25,200

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, 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. Prior Period Adjustment

The prior year's figure for accumulated surplus has been reduced by \$20,877 to account for unspent government transfers that had been transferred to reserves whereas they should have been reflected as deferred revenue.

9. Budget Figures

Budget figures for 2011, as approved by Council, are included in the financial statements for information purposes and are unaudited.
