
SUMMER VILLAGE OF SILVER SANDS

FINANCIAL STATEMENTS

DECEMBER 31, 2012

SUMMER VILLAGE OF SILVER SANDS

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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 Silver Sands 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 Silver Sands 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 19, 2013


Professional Corporation

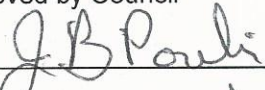
CHARTERED ACCOUNTANT

SUMMER VILLAGE OF SILVER SANDS

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash	\$ 323,862	\$ 64,541
Short term investments – Note 2	257,133	305,255
Taxes receivable	40,393	39,546
Trade and other receivables	5,759	24,023
Government transfers receivable	9,471	54,918
	<u>636,618</u>	<u>488,283</u>
Liabilities		
Payables and accrued liabilities	13,179	43,145
Deferred revenue – Note 3	257,242	114,182
Long term debt – Note 4	-	104,168
	<u>270,421</u>	<u>261,495</u>
Net Financial Assets	<u>366,197</u>	<u>226,788</u>
Non-Financial Assets		
Tangible capital assets	1,066,834	1,235,128
Prepaid expenses	1,620	1,605
	<u>1,068,454</u>	<u>1,236,733</u>
Accumulated Surplus	<u>\$ 1,434,651</u>	<u>\$ 1,463,521</u>

Approved by Council



Mayor



Chief Administrative Officer

SUMMER VILLAGE OF SILVER SANDS

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2012

	Budget Unaudited	2012	2011
Revenues			
Net municipal property taxes	\$ 319,476	\$ 318,750	\$ 301,919
User fees and sale of goods	175	1,017	475
Government transfers for operating	17,207	17,207	17,131
Franchise	2,000	2,809	2,623
Licenses and permits	500	1,573	297
Fines	-	-	109
Penalties on taxes	14,000	13,073	16,117
Investment income	1,000	508	2,367
Local government transfers	1,000	855	1,000
Other	-	400	1,516
	<u>355,358</u>	<u>356,192</u>	<u>343,554</u>
Expenses			
Council	16,750	13,736	12,508
Administration	92,415	92,503	87,922
Fire	34,033	34,051	36,729
Disaster and emergency services	2,121	2,121	1,395
Bylaw enforcement	13,768	13,771	10,342
Public works	56,700	53,449	58,030
Roads, streets, walks, lighting	28,326	53,222	25,681
Waste management	42,974	36,570	40,382
Family and community support	5,483	5,483	5,483
Planning and development	10,000	9,953	6,477
Parks, recreation and culture	12,596	12,467	12,238
	<u>315,166</u>	<u>327,326</u>	<u>297,187</u>
Excess of Revenue Over Expenses Before Other Other Revenue (Expenses)	<u>40,192</u>	<u>28,866</u>	<u>46,367</u>
Government transfers for capital	291,225	16,558	84,123
Amortization of tangible assets	-	(56,126)	(58,400)
Loss on disposal of tangible capital assets	-	(18,168)	-
	<u>291,225</u>	<u>(57,736)</u>	<u>25,723</u>
(Deficiency) Excess of Revenue Over Expenses	331,417	(28,870)	72,090
Accumulated Surplus, Beginning of Year	<u>1,463,521</u>	<u>1,463,521</u>	<u>1,391,431</u>
Accumulated Surplus, End of Year	<u>\$ 1,794,938</u>	<u>\$ 1,434,651</u>	<u>\$ 1,463,521</u>

SUMMER VILLAGE OF SILVER SANDS

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

	Budget Unaudited	2012	2011
Excess of Revenues Over Expenses	\$ 331,417	\$ (28,870)	\$ 72,090
Changes in Non-Financial Assets			
Proceeds on sale of tangible capital assets	-	97,890	-
Acquisition of tangible capital assets	(277,267)	(3,890)	(64,486)
Amortization of tangible capital assets	-	56,126	58,400
Loss on disposal of tangible capital assets	-	18,168	-
Prepaid expenses	-	(15)	(1,605)
	<u>(277,267)</u>	<u>168,279</u>	<u>(7,691)</u>
Increase in Net Financial Assets	54,150	139,409	64,399
Net Financial Assets, Beginning of Year	<u>226,788</u>	<u>226,788</u>	<u>162,389</u>
Net Financial Assets, End of Year	<u>\$ 280,938</u>	<u>\$ 366,197</u>	<u>\$ 226,788</u>

SUMMER VILLAGE OF SILVER SANDS

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2012

	2012	2011
Cash Provided By (Used For)		
Operating Activities		
(Deficiency) excess of revenues over expenses	\$ (28,870)	\$ 72,090
Non-cash items included in (deficiency) excess of revenues over expenses		
Amortization of tangible capital assets	56,126	58,400
Loss on sale of tangible capital assets	18,168	-
	45,424	130,490
Net change in non-cash working capital		
Taxes receivable	(847)	17,787
Trade and other receivables	18,264	(11,321)
Government transfers receivable	45,447	(54,918)
Prepaid expenses	(15)	(1,605)
Payables and accrued liabilities	(29,966)	38,417
Deferred revenue	143,060	6,686
	221,367	125,536
Capital Activities		
Proceeds on disposal of tangible capital assets	97,890	-
Acquisition of tangible capital assets	(3,890)	(64,486)
	94,000	(64,486)
Investing Activities		
Decrease (increase) in short term investments	48,122	(176,266)
Financing Activities		
Principal payments on long term debt	(104,168)	(14,483)
Increase (Decrease) in Cash	259,321	(129,699)
Cash, Beginning of Year	64,541	194,240
Cash, End of Year	\$ 323,862	\$ 64,541

SUMMER VILLAGE OF SILVER SANDS

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

Schedule 1

				2012	2011
	Unrestricted Surplus	Restricted Surplus Note 5	Equity in Tangible Capital Assets	Total	Total
Balance, Beginning of Year	\$ 48,906	\$ 283,655	\$ 1,130,960	\$ 1,463,521	\$ 1,391,431
(Deficiency) excess of revenues over expenses	(28,870)	-	-	(28,870)	72,090
Unrestricted funds designated for future use	(45,199)	45,199	-	-	-
Restricted funds used for operations	410	(410)	-	-	-
Current funds used for tangible capital assets	(3,890)	-	3,890	-	-
Disposal of tangible capital assets	116,058	-	(116,058)	-	-
Annual amortization expense	56,126	-	(56,126)	-	-
Principal payment on long term debt	(104,168)	-	104,168	-	-
	<u>(9,533)</u>	<u>44,789</u>	<u>(64,126)</u>	<u>(28,870)</u>	<u>72,090</u>
Balance, End of Year	<u>\$ 39,373</u>	<u>\$ 328,444</u>	<u>\$ 1,066,834</u>	<u>\$ 1,434,651</u>	<u>\$ 1,463,521</u>

SUMMER VILLAGE OF SILVER SANDS

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	\$ 627,323	\$ -	\$ -	\$ 627,323	\$ 627,323
Land improvements	98,848	-	-	98,848	98,848
Engineered structures	505,439	-	-	505,439	505,439
Buildings	62,403	-	-	62,403	62,403
Machinery and equipment	244,462	3,890	154,495	93,857	244,462
	<u>1,538,475</u>	<u>3,890</u>	<u>154,495</u>	<u>1,387,870</u>	<u>1,538,475</u>
Accumulated Amortization					
Land	-	-	-	-	-
Land improvements	13,942	6,961	-	20,903	13,942
Engineered structures	175,821	34,923	-	210,744	175,821
Buildings	38,903	1,268	-	40,171	38,903
Machinery and equipment	74,681	12,974	38,437	49,218	74,681
	<u>303,347</u>	<u>56,126</u>	<u>38,437</u>	<u>321,036</u>	<u>303,347</u>
Net Book Value					
Land				\$ 627,323	\$ 627,323
Land improvements				77,945	84,906
Engineered structures				294,695	329,618
Buildings				22,232	23,500
Machinery and equipment				44,639	169,781
				<u>\$ 1,066,834</u>	<u>\$ 1,235,128</u>

SUMMER VILLAGE OF SILVER SANDS

PROPERTY TAXES LEVIED YEAR ENDED DECEMBER 31, 2012

Schedule 3

	Budget Unaudited	2012	2011
Taxation			
Real property taxes	\$ 452,413	\$ 451,625	\$ 419,060
Linear property taxes	5,123	5,123	5,005
Local improvement taxes	35,665	35,727	35,145
	493,201	492,475	459,210
Requisitions			
Alberta School Foundation Fund	158,153	158,153	141,593
Lac Ste. Anne Foundation	15,572	15,572	15,698
	173,725	173,725	157,291
Net Municipal Property Taxes	\$ 319,476	\$ 318,750	\$ 301,919

EXPENDITURES BY OBJECT YEAR ENDED DECEMBER 31, 2012

Schedule 4

	Budget Unaudited	2012	2011
Salaries, wages and benefits	\$ 51,700	\$ 51,849	\$ 52,535
Contracted and general services	182,941	193,634	161,652
Purchases from other governments	51,338	51,087	52,192
Materials, goods and utilities	21,700	15,957	21,109
Transfer to local boards and agencies	3,422	4,197	4,630
Interest on long term debt	4,065	10,602	5,069
Amortization of tangible capital assets	-	56,126	58,400
Loss on disposal of tangible capital assets	-	18,168	-
	\$ 315,166	\$ 401,620	\$ 355,587

SUMMER VILLAGE OF SILVER SANDS

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 SILVER SANDS

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 – 20
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 Certificate		
- flexible, interest at 0.70% to 1.00%, matures January 2013 to October 2013	<u>\$ 257,133</u>	<u>\$ 305,255</u>

SUMMER VILLAGE OF SILVER SANDS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

3.	Deferred Revenue	<u>2012</u>	<u>2011</u>
	Government transfers	<u>\$ 257,242</u>	<u>\$ 114,182</u>

4.	Long Term Debt	<u>2012</u>	<u>2011</u>
	Alberta Capital Finance Authority - payable in blended semi-annual installments of \$9,191, interest at 4.04%, secured by Equipment, due March 2018	<u>\$ -</u>	<u>\$ 104,168</u>

5.	Restricted Surplus	<u>2012</u>	<u>2011</u>
	Tax rate stabilization	<u>\$ 116,985</u>	<u>\$ 116,985</u>
	General capital	<u>2,407</u>	<u>2,407</u>
	Lagoon	<u>142,467</u>	<u>106,740</u>
	Roads	<u>15,000</u>	<u>15,000</u>
	Land disposition	<u>51,585</u>	<u>42,523</u>
		<u>\$ 328,444</u>	<u>\$ 283,655</u>

6. 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 Silver Sands are as follows:

	<u>2012</u>	<u>2011</u>
Total debt limit	<u>\$ 534,288</u>	<u>\$ 515,331</u>
Total debt	<u>-</u>	<u>(104,168)</u>
Debt limit available	<u>\$ 534,288</u>	<u>\$ 411,163</u>
Total debt service limit	<u>\$ 89,048</u>	<u>\$ 85,889</u>
Total debt service	<u>-</u>	<u>(18,382)</u>
Debt service limit available	<u>\$ 89,048</u>	<u>\$ 67,507</u>

SUMMER VILLAGE OF SILVER SANDS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

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:

	<u>2012</u>			<u>2011</u>
	<u>Salary</u>	<u>Benefits & Allowances</u>	<u>Total</u>	<u>Total</u>
Councillors				
B. Poulin	\$ 2,113	\$ -	\$ 2,113	\$ 1,950
H. McGillis	1,300	-	1,300	1,300
B. Duncan	1,650	-	1,650	1,825
	<u>\$ 5,063</u>	<u>\$ -</u>	<u>\$ 5,063</u>	<u>\$ 5,075</u>
Administration	\$ 58,344	\$ -	\$ 58,344	\$ 55,566

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

8. Financial Instruments

The Summer Village's financial instruments consist of cash, short term investments, receivables, payables, accrued liabilities and long term debt. 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.

9. Budget Figures

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