
SUMMER VILLAGE OF SOUTH VIEW

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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, 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.

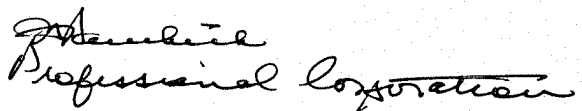
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 South View 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 18, 2012



J. A. Pawluik
Professional Corporation

CHARTERED ACCOUNTANT

SUMMER VILLAGE OF SOUTH VIEW

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
Financial Assets		
Cash	\$ 53,458	\$ 167,307
Short term investments – Note 2	125,791	52,868
Taxes receivable	22,707	15,753
Trade and other receivables	11,966	4,597
Government transfers receivable	11,833	-
	<u>225,755</u>	<u>240,525</u>
Liabilities		
Payables and accrued liabilities	27,254	3,698
Deferred revenue – Note 3	55,915	99,491
	<u>83,169</u>	<u>103,189</u>
Net Financial Assets	142,586	137,336
Non-Financial Assets		
Tangible capital assets	587,752	477,911
Accumulated Surplus	<u>\$ 730,338</u>	<u>\$ 615,247</u>

Approved by Council

_____ Mayor

_____ Chief Administrative Officer

SUMMER VILLAGE OF SOUTH VIEW

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2011

	Budget Unaudited	2011	2010
Revenues			
Net municipal property taxes	\$ 125,027	\$ 124,863	\$ 113,063
User fees and sale of goods	2,100	3,655	3,501
Government transfers for operating	13,707	13,707	21,552
Licenses and permits	250	718	1,112
Penalties on taxes	3,000	4,977	2,639
Investment income	500	1,502	406
	<u>144,584</u>	<u>149,422</u>	<u>142,273</u>
Expenses			
Council	20,640	12,804	19,412
Administration	48,470	49,377	48,758
Fire	13,711	13,911	9,821
Ambulance, disaster and emergency services	1,177	860	408
Bylaw enforcement	3,861	3,917	4,121
Public works	13,500	14,870	8,119
Roads, streets, walks, lighting	17,000	23,150	9,825
Waste management	9,500	10,272	9,053
Family and community support	3,655	3,655	3,655
Planning and development	4,000	4,086	4,421
Parks and recreation	12,570	11,266	16,090
	<u>148,084</u>	<u>148,168</u>	<u>133,683</u>
Excess (Deficiency) Revenue Over Expenses Before Other	<u>(3,500)</u>	<u>1,254</u>	<u>8,590</u>
Other Revenue (Expenses)			
Government transfers for capital	205,929	138,181	-
Amortization of tangible assets	-	(24,344)	(20,871)
	<u>205,929</u>	<u>113,837</u>	<u>(20,871)</u>
Excess (Deficiency) of Revenue Over Expenses	202,429	115,091	(12,281)
Accumulated Surplus, Beginning of Year	<u>615,247</u>	<u>615,247</u>	<u>627,528</u>
Accumulated Surplus, End of Year	<u>\$ 817,676</u>	<u>\$ 730,338</u>	<u>\$ 615,247</u>

SUMMER VILLAGE OF SOUTH VIEW

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u> Unaudited	<u>2011</u>	<u>2010</u>
Excess (Deficiency) of Revenues Over Expenses	\$ 202,429	\$ 115,091	\$ (12,281)
Changes in Non-Financial Assets			
Acquisition of tangible capital assets	(207,729)	(134,185)	(5,890)
Amortization of tangible capital assets	-	24,344	20,871
	<u>(207,729)</u>	<u>(109,841)</u>	<u>14,981</u>
Increase (Decrease) in Net Financial Assets	(5,300)	5,250	2,700
Net Financial Assets, Beginning of Year	<u>137,336</u>	<u>137,336</u>	<u>134,636</u>
Net Financial Assets, End of Year	<u>\$ 132,036</u>	<u>\$ 142,586</u>	<u>\$ 137,336</u>

SUMMER VILLAGE OF SOUTH VIEW

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
Cash Provided By (Used For)		
Operating Activities		
Excess (deficiency) of revenues over expenses	\$ 115,091	\$ (12,281)
Non-cash items included in excess (deficiency) of revenues over expenses		
Amortization of tangible capital assets	<u>24,344</u>	<u>20,871</u>
	139,435	8,590
Net change in non-cash working capital		
Taxes receivable	(6,954)	(7,308)
Trade and other receivables	(7,369)	5,483
Government transfers receivable	(11,833)	24,169
Payables and accrued liabilities	23,556	(10,719)
Prepaid taxes	-	(4,908)
Deferred revenue	<u>(43,576)</u>	<u>80,906</u>
	93,259	96,213
Capital Activities		
Acquisition of tangible capital assets	(134,185)	(5,890)
Investing Activities		
Increase in short term investments	<u>(72,923)</u>	<u>(123)</u>
(Decrease) Increase in Cash	(113,849)	90,200
Cash, Beginning of Year	<u>167,307</u>	<u>77,107</u>
Cash, End of Year	<u>\$ 53,458</u>	<u>\$ 167,307</u>

SUMMER VILLAGE OF SOUTH VIEW

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
Balance, Beginning of Year	\$ 25,200	\$ 112,136	\$ 477,911	\$ 615,247	\$ 627,528
Excess (deficiency) of revenues over expenses	115,091	-	-	115,091	(12,281)
Unrestricted funds designated for future use	(6,500)	6,500	-	-	-
Restricted funds used for operations	2,000	(2,000)	-	-	-
Current funds used for tangible capital assets	(134,185)	-	134,185	-	-
Annual amortization expense	24,344	-	(24,344)	-	-
	750	4,500	109,841	115,091	(12,281)
Balance, End of Year	\$ 25,950	\$ 116,636	\$ 587,752	\$ 730,338	\$ 615,247

SUMMER VILLAGE OF SOUTH VIEW

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	\$ 173,252	\$ -	\$ -	\$ 173,252	\$ 173,252
Land improvements	71,051	-	-	71,051	71,051
Engineered structures	300,452	134,185	-	434,637	300,452
Buildings	10,701	-	-	10,701	10,701
Machinery and equipment	17,805	-	-	17,805	17,805
	<u>573,261</u>	<u>134,185</u>	<u>-</u>	<u>707,446</u>	<u>573,261</u>
Accumulated Amortization					
Land	-	-	-	-	-
Land improvements	30,133	3,424	-	33,557	30,133
Engineered structures	53,113	19,216	-	72,329	53,113
Buildings	3,022	173	-	3,195	3,022
Machinery and equipment	9,082	1,531	-	10,613	9,082
	<u>95,350</u>	<u>24,344</u>	<u>-</u>	<u>119,694</u>	<u>95,350</u>
Net Book Value					
Land				\$ 173,252	\$ 173,252
Land improvements				37,494	40,918
Engineered structures				362,308	247,339
Buildings				7,506	7,679
Machinery and equipment				7,192	8,723
				<u>\$ 587,752</u>	<u>\$ 477,911</u>

SUMMER VILLAGE OF SOUTH VIEW

PROPERTY TAXES LEVIED YEAR ENDED DECEMBER 31, 2011

Schedule 3

	Budget Unaudited	2011	2010
Taxation			
Real property taxes	\$ 162,064	\$ 161,900	\$ 151,570
Linear property taxes	2,604	2,604	2,655
Lagoon levy	6,500	6,500	-
	171,168	171,004	154,225
Requisitions			
Alberta School Foundation Fund	41,097	41,097	36,836
Lac Ste. Anne Foundation	5,044	5,044	4,326
	46,141	46,141	41,162
Net Municipal Property Taxes	\$ 125,027	\$ 124,863	\$ 113,063

EXPENDITURES BY OBJECT YEAR ENDED DECEMBER 31, 2011

Schedule 4

	Budget Unaudited	2011	2010
Salaries, wages and benefits	\$ 21,000	\$ 19,745	\$ 13,580
Contracted and general services	93,848	93,564	92,392
Purchases from other governments	20,196	20,434	15,841
Materials, goods and utilities	11,040	12,368	10,052
Transfer to local boards and agencies	2,000	2,057	1,818
Amortization of tangible capital assets	-	24,344	20,871
	\$ 148,084	\$ 172,512	\$ 154,554

SUMMER VILLAGE OF SOUTH VIEW

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 SOUTH VIEW

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	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>2011</u>	<u>2010</u>
Guaranteed Investment Certificates - non-redeemable, interest at 0.70% to 1.45%, matures January to September 2012	<u>\$ 125,791</u>	<u>\$ 52,868</u>

3. Deferred Revenue

	<u>2011</u>	<u>2010</u>
Government transfers	<u>\$ 55,915</u>	<u>\$ 99,491</u>

SUMMER VILLAGE OF SOUTH VIEW

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

4. Restricted Surplus

	<u>2011</u>	<u>2010</u>
Tax rate stabilization	\$ 70,205	\$ 72,205
Equipment replacement	3,643	3,643
Lagoon	33,800	27,300
Roads	<u>8,988</u>	<u>8,988</u>
	<u>\$ 116,636</u>	<u>\$ 112,136</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>2011</u>	<u>2010</u>
Total debt limit	\$ 224,133	\$ 213,410
Total debt	<u>-</u>	<u>-</u>
Debt limit available	<u>\$ 224,133</u>	<u>\$ 213,410</u>
Total debt service limit	\$ 37,356	\$ 35,568
Total debt service	<u>-</u>	<u>-</u>
Debt service limit available	<u>\$ 37,356</u>	<u>\$ 35,568</u>

SUMMER VILLAGE OF SOUTH VIEW

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				
S. Benford	\$ 2,925	\$ -	\$ 2,925	\$ 3,975
C. Durham	-	-	-	1,275
H. Williams	900	-	900	1,125
G. Ward	<u>1,050</u>	<u>-</u>	<u>1,050</u>	<u>825</u>
	\$ 4,875	\$ -	\$ 4,875	\$ 7,200
Administration	\$ 29,106	\$ -	\$ 29,106	\$ 27,720

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