
SUMMER VILLAGE OF SILVER SANDS

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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, 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.

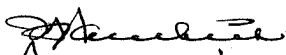
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Silver Sands 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 26, 2012


Professional Corporation

CHARTERED ACCOUNTANT

SUMMER VILLAGE OF SILVER SANDS

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
Financial Assets		
Cash	\$ 64,541	\$ 194,240
Short term investments – Note 2	305,255	128,989
Taxes receivable	39,546	57,333
Trade and other receivables	24,023	12,702
Government transfers receivable	54,918	-
	<u>488,283</u>	<u>393,264</u>
Liabilities		
Payables and accrued liabilities	43,145	4,728
Deferred revenue – Note 3	114,182	107,496
Long term debt – Note 4	104,168	118,651
	<u>261,495</u>	<u>230,875</u>
Net Financial Assets	<u>226,788</u>	<u>162,389</u>
Non-Financial Assets		
Tangible capital assets	1,235,128	1,229,042
Prepaid expenses	1,605	-
	<u>1,236,733</u>	<u>1,229,042</u>
Accumulated Surplus	<u>\$ 1,463,521</u>	<u>\$ 1,391,431</u>

Approved by Council

_____ Mayor

_____ Chief Administrative Officer

SUMMER VILLAGE OF SILVER SANDS

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2011

	Budget Unaudited	2010	2010
Revenues			
Net municipal property taxes	\$ 305,586	\$ 301,919	\$ 293,845
User fees and sale of goods	-	475	915
Government transfers for operating	19,133	17,131	45,016
Franchise	2,000	2,623	2,317
Licenses and permits	-	297	1,163
Fines	-	109	-
Penalties on taxes	14,000	16,117	15,006
Investment income	-	2,367	341
Local government transfers	500	1,000	-
Other	-	1,516	2,884
	<u>341,219</u>	<u>343,554</u>	<u>361,487</u>
Expenses			
Council	15,200	12,508	12,239
Administration	87,595	87,922	85,713
Fire	35,929	36,729	25,930
Disaster and emergency services	1,901	1,395	892
Bylaw enforcement	10,116	10,342	10,943
Public works	54,500	58,030	45,333
Roads, streets, walks, lighting	22,630	25,681	19,877
Waste management	43,500	40,382	83,180
Family and community support	5,483	5,483	5,483
Planning and development	16,000	6,477	4,586
Parks, recreation and culture	14,100	12,238	10,908
	<u>306,954</u>	<u>297,187</u>	<u>305,084</u>
Excess of Revenue Over Expenses Before Other	<u>34,265</u>	<u>46,367</u>	<u>56,403</u>
Other Revenue (Expenses)			
Government transfers for capital	98,780	84,123	85,985
Contributed assets	-	-	1,950
Amortization of tangible assets	-	(58,400)	(53,152)
Loss on disposal of tangible capital assets	-	-	-
	<u>98,780</u>	<u>25,723</u>	<u>34,783</u>
Excess of Revenue Over Expenses	133,045	72,090	91,186
Accumulated Surplus, Beginning of Year	<u>1,391,431</u>	<u>1,391,431</u>	<u>1,300,245</u>
Accumulated Surplus, End of Year	<u>\$ 1,524,476</u>	<u>\$ 1,463,521</u>	<u>\$ 1,391,431</u>

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

	Budget Unaudited	2011	2010
Excess of Revenues Over Expenses	\$ 133,045	\$ 72,090	\$ 91,186
Changes in Non-Financial Assets			
Acquisition of tangible capital assets	(58,757)	(64,486)	(97,101)
Amortization of tangible capital assets	-	58,400	53,152
Prepaid expenses	-	(1,605)	-
	<u>(58,757)</u>	<u>(7,691)</u>	<u>(43,949)</u>
Increase in Net Financial Assets	74,288	64,399	47,237
Net Financial Assets, Beginning of Year	<u>162,389</u>	<u>162,389</u>	<u>115,152</u>
Net Financial Assets, End of Year	<u>\$ 236,677</u>	<u>\$ 226,788</u>	<u>\$ 162,389</u>

SUMMER VILLAGE OF SILVER SANDS

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2011

	2011	2010
Cash Provided By (Used For)		
Operating Activities		
Excess of revenues over expenses	\$ 72,090	\$ 91,186
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	<u>58,400</u>	<u>53,152</u>
	130,490	144,338
Net change in non-cash working capital		
Taxes receivable	17,787	(12,641)
Trade and other receivables	(11,321)	(565)
Government transfers receivable	(54,918)	-
Prepaid expenses	(1,605)	-
Payables and accrued liabilities	38,417	(48,507)
Deferred revenue	<u>6,686</u>	<u>42,746</u>
	125,536	125,371
Capital Activities		
Acquisition of tangible capital assets	(64,486)	(97,101)
Investing Activities		
Increase in short term investments	(176,266)	(192)
Financing Activities		
Principal payments on long term debt	<u>(14,483)</u>	<u>(17,491)</u>
(Decrease) Increase in Cash	(129,699)	10,587
Cash, Beginning of Year	<u>194,240</u>	<u>183,653</u>
Cash, End of Year	<u>\$ 64,541</u>	<u>\$ 194,240</u>

SUMMER VILLAGE OF SILVER SANDS

CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2011

Schedule 1

				2011	2010
	Unrestricted Surplus	Restricted Surplus Note 5	Equity in Tangible Capital Assets	Total	Total
Balance, Beginning of Year	\$ 38,716	\$ 242,324	\$ 1,110,391	\$ 1,391,431	\$ 1,300,245
Excess of revenues over expenses	72,090	-	-	72,090	91,186
Unrestricted funds designated for future use	(59,806)	59,806	-	-	-
Restricted funds used for operations	18,475	(18,475)	-	-	-
Current funds used for tangible capital assets	(64,486)	-	64,486	-	-
Annual amortization expense	58,400	-	(58,400)	-	-
Principal payment on long term debt	(14,483)	-	14,483	-	-
	<u>10,190</u>	<u>41,331</u>	<u>20,569</u>	<u>72,090</u>	<u>91,186</u>
Balance, End of Year	<u>\$ 48,906</u>	<u>\$ 283,655</u>	<u>\$ 1,130,960</u>	<u>\$ 1,463,521</u>	<u>\$ 1,391,431</u>

SUMMER VILLAGE OF SILVER SANDS

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	\$ 627,323	\$ -	\$ -	\$ 627,323	\$ 627,323
Land improvements	87,066	11,782	-	98,848	87,066
Engineered structures	452,735	52,704	-	505,439	452,735
Buildings	62,403	-	-	62,403	62,403
Machinery and equipment	244,462	-	-	244,462	244,462
	<u>1,473,989</u>	<u>64,486</u>	<u>-</u>	<u>1,538,475</u>	<u>1,473,989</u>
Accumulated Amortization					
Land	-	-	-	-	-
Land improvements	7,505	6,437	-	13,942	7,505
Engineered structures	142,628	33,193	-	175,821	142,628
Buildings	37,635	1,268	-	38,903	37,635
Machinery and equipment	57,179	17,502	-	74,681	57,179
	<u>244,947</u>	<u>58,400</u>	<u>-</u>	<u>303,347</u>	<u>244,947</u>
Net Book Value					
Land				\$ 627,323	\$ 627,323
Land improvements				84,906	79,561
Engineered structures				329,618	310,107
Buildings				23,500	24,768
Machinery and equipment				169,781	187,283
				<u>\$ 1,235,128</u>	<u>\$ 1,229,042</u>

SUMMER VILLAGE OF SILVER SANDS

PROPERTY TAXES LEVIED YEAR ENDED DECEMBER 31, 2011

Schedule 3

	Budget Unaudited	2011	2010
Taxation			
Real property taxes	\$ 422,705	\$ 419,060	\$ 392,976
Linear property taxes	5,005	5,005	4,844
Local improvement taxes	35,165	35,145	35,913
	462,875	459,210	433,733
Requisitions			
Alberta School Foundation Fund	141,593	141,593	126,678
Lac Ste. Anne Foundation	15,696	15,698	13,210
	157,289	157,291	139,888
Net Municipal Property Taxes	\$ 305,586	\$ 301,919	\$ 293,845

EXPENDITURES BY OBJECT YEAR ENDED DECEMBER 31, 2011

Schedule 4

	Budget Unaudited	2011	2010
Salaries, wages and benefits	\$ 49,700	\$ 52,535	\$ 40,418
Contracted and general services	175,883	161,652	206,162
Purchases from other governments	53,062	52,192	32,961
Materials, goods and utilities	18,700	21,109	15,833
Transfer to local boards and agencies	4,630	4,630	4,438
Interest on long term debt	4,979	5,069	5,272
Amortization of tangible capital assets	-	58,400	53,152
	\$ 306,954	\$ 355,587	\$ 358,236

SUMMER VILLAGE OF SILVER SANDS

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 SILVER SANDS

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 – 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>2011</u>	<u>2010</u>
Guaranteed Investment Certificate - flexible, interest at 0.70% to 0.75%, matures January 2012 to October 2012	<u>\$ 305,255</u>	<u>\$ 128,989</u>

SUMMER VILLAGE OF SILVER SANDS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

3.	Deferred Revenue	<u>2011</u>	<u>2010</u>
	Government transfers	<u>\$ 114,182</u>	<u>\$ 107,496</u>

4.	Long Term Debt	<u>2011</u>	<u>2010</u>
	AGCO Finance Canada Ltd. - payable in blended monthly installments of \$365, interest at 3.99%, secured by Equipment, due February 2011	\$ -	\$ 727
	Alberta Capital Finance Authority - payable in blended semi-annual installments of \$9,191, interest at 4.04%, secured by Equipment, due March 2018	<u>104,168</u>	<u>117,924</u>
		<u>\$ 104,168</u>	<u>\$ 118,651</u>

Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 14,317	\$ 4,065	\$ 18,382
2013	14,901	3,481	18,382
2014	15,510	2,872	18,382
2015	16,142	2,240	18,382
2016	16,801	1,581	18,382
Thereafter	<u>26,497</u>	<u>1,077</u>	<u>27,574</u>
	<u>\$ 104,168</u>	<u>\$ 15,316</u>	<u>\$ 119,484</u>

5.	Restricted Surplus	<u>2011</u>	<u>2010</u>
	Tax rate stabilization	\$ 116,985	\$ 106,985
	General capital	2,407	2,407
	Lagoon	106,740	71,575
	Roads	15,000	15,000
	Land disposition	<u>42,523</u>	<u>46,357</u>
		<u>\$ 283,655</u>	<u>\$ 242,324</u>

SUMMER VILLAGE OF SILVER SANDS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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:

	2010	2010
Total debt limit	\$ 515,331	\$ 542,231
Total debt	(104,168)	(118,651)
Debt limit available	\$ 411,163	\$ 423,580
Total debt service limit	\$ 85,889	\$ 90,372
Total debt service	(18,382)	(19,112)
Debt service limit available	\$ 67,507	\$ 71,260

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:

	2011		2010	
	Salary	Benefits & Allowances	Total	Total
Councillors				
L. Turnbull	\$ -	\$ -	\$ -	\$ 600
R. Marceniuk	-	-	-	450
H. Applin	-	-	-	450
B. Poulin	1,950	-	1,950	1,275
H. McGillis	1,300	-	1,300	700
B. Duncan	1,825	-	1,825	625
	\$ 5,075	\$ -	\$ 5,075	\$ 4,100
 Administration	 \$ 55,566	 \$ -	 \$ 55,566	 \$ 52,920

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

SUMMER VILLAGE OF SILVER SANDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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