

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**SUMMER VILLAGE OF SOUTH VIEW**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Councils of Summer Village of South View

### *Opinion*

We have audited the consolidated financial statements of Summer Village of South View (the Summer Village), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Summer Village as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Summer Village in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Summer Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Summer Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Summer Village's financial reporting process.

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*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Summer Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Summer Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Summer Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
April 24, 2019

*Seniuk & Company*  
**Seniuk and Company,  
Chartered Accountants**

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Financial Position**  
**December 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 299,820	\$ 382,452
Taxes and grants in place of taxes <i>(Note 4)</i>	38,076	20,242
Grants and receivables from other governments <i>(Note 5)</i>	127,707	50,159
Trade and other receivables	6,165	1,516
	<b>\$ 471,768</b>	<b>\$ 454,369</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 6,336	\$ 80,623
Deferred income <i>(Note 7)</i>	226,796	150,187
	<b>233,132</b>	<b>230,810</b>
<b>NET FINANCIAL ASSET (DEBT)</b>	<b>238,636</b>	223,559
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 6)</i>	757,545	798,883
Prepaid expenses	329	
	<b>757,874</b>	798,883
<b>ACCUMULATED SURPLUS</b>	<b>\$ 996,510</b>	<b>\$ 1,022,442</b>
<b>CONTINGENT LIABILITIES</b>		

**On behalf of Council**

\_\_\_\_\_ *Mayor*

\_\_\_\_\_ *CAO*

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2018**

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
<b>REVENUE</b>			
Net municipal taxes (Schedule 1)	\$ 176,018	\$ 176,018	\$ 170,152
User fees and sale of goods	3,700	3,805	1,123
Government transfers for operating	79,267	36,463	189,439
Investment income	-	2,365	-
Penalties and costs of taxes	3,000	7,616	6,483
Licenses and permits	500	710	454
Other	4,940	1,815	10,755
<b>Total revenue</b>	<b>267,425</b>	<b>228,792</b>	<b>378,406</b>
<b>EXPENSES</b>			
Administration and legislative	83,674	84,414	81,845
Fire service	11,872	12,134	10,297
Bylaw enforcement and bylaw project	75,354	36,109	183,198
Roads, streets, walks and lighting	20,865	24,698	89,408
Waste and wastewater management	24,006	7,354	12,999
Family and community support	4,385	4,954	4,931
Land use planning, zoning and development	8,700	8,263	7,115
Parks and recreation	38,242	36,752	40,292
Libraries, museums and halls	327	288	327
<b>Total operating expenses</b>	<b>267,425</b>	<b>214,966</b>	<b>430,412</b>
<b>Excess (deficiency) of revenue over expenses before other</b>	<b>-</b>	<b>13,826</b>	<b>(52,006)</b>
<b>OTHER</b>			
Government transfers for capital	25,000	2,815	115,748
Amortization	-	(42,573)	(41,955)
	25,000	(39,758)	73,793
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>25,000</b>	<b>(25,932)</b>	<b>21,787</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>1,022,442</b>	<b>1,000,655</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 996,510</b>	<b>\$ 1,022,442</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2018**

	2018	2017
<b>Excess (Shortfall) of Revenues Over Expenses</b>	<b>\$ (25,932)</b>	<b>\$ 21,787</b>
Acquisition of tangible capital assets	<b>(1,234)</b>	(39,198)
Amortization of tangible capital assets	<b>42,573</b>	41,955
Use of prepaids	<b>(327)</b>	\$ -
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>15,080</b>	24,544
Net financial assets (debt), beginning of year	<b>223,559</b>	199,015
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 238,639</b>	<b>\$ 223,559</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (25,932)	\$ 21,787
Item not affecting cash:		
Amortization	42,573	41,955
	<b>16,641</b>	63,742
Changes in non-cash working capital:		
Current taxes and grants in place of taxes	(17,834)	(3,573)
Trade and other receivables	(4,649)	(387)
Grants and receivables from other governments	(77,548)	214,364
Accounts payable	(74,287)	71,778
Prepaid expenses	(329)	-
Deferred income	76,609	(191,605)
	<b>(98,038)</b>	90,577
Cash flow from (used by) operating activities	<b>(81,397)</b>	154,319
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(1,235)	(39,198)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(82,632)</b>	115,121
Cash - beginning of year	<b>382,452</b>	267,331
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 299,820</b>	\$ 382,452

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2018**

**(Schedule 1)**

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
<b>TAXATION</b>			
Real property tax	\$ 218,388	\$ 218,388	\$ 212,377
Linear property taxes	2,312	2,312	2,272
Special assessments	5,535	5,535	5,625
	226,235	226,235	220,274
<b>REQUISITIONS</b>			
Alberta School Foundation	46,324	46,324	46,216
Seniors' housing requisition	3,893	3,893	3,906
	50,217	50,217	50,122
<b>NET MUNICIPAL TAXES</b>	\$ 176,018	\$ 176,018	\$ 170,152

**Consolidated Schedule of Government Transfers**

**(Schedule 2)**

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 12,163	\$ 22,463	\$ 175,439
Other Local Governments	-	14,000	14,000
	12,163	36,463	189,439
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	25,000	2,815	115,748
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 37,163	\$ 39,278	\$ 305,187

**Consolidated Schedule of Consolidated Expenditures by Object**

**(Schedule 3)**

	Budget (Unaudited) 2018	Actual 2018	Actual 2017
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 7,000	\$ 6,853	\$ 6,000
Contracted and general services	222,914	186,642	215,771
Materials, goods and utilities	16,365	16,229	203,383
Transfer to local boards and agencies	4,712	5,242	5,258
<b>Total Consolidated Expenditures by Object</b>	\$ 250,991	\$ 214,966	\$ 430,412

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**

**Consolidated Schedule of Segmented Disclosure  
Year Ended December 31, 2018**

*(Schedule 4)*

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
<b>REVENUE</b>								
Net municipal taxes	\$ 176,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,018
Government transfers for operating	8,655	24,000	-	-	3,808	-	-	36,463
User fees and sales of goods	100	-	-	-	3,855	-	-	3,955
Investment income	2,365	-	-	-	-	-	-	2,365
Other revenues	9,281	-	-	710	-	-	-	9,991
	196,419	24,000	-	710	7,663	-	-	228,792
<b>EXPENSES</b>								
Contract & general services	75,601	50,209	12,193	4,645	36,752	7,354	-	186,754
Salaries & wages	6,850	-	-	-	-	-	-	6,850
Materials, goods & utilities	1,169	-	12,505	2,445	-	-	-	16,119
Transfers to local boards	-	-	-	-	5,242	-	-	5,242
	83,620	50,209	24,698	7,090	41,994	7,354	-	214,965
<b>Excess (deficiency) of revenue over expenses before other</b>	112,799	(26,209)	(24,698)	(6,380)	(34,331)	(7,354)	-	13,827
<b>OTHER INCOME (EXPENSE)</b>								
Amortization	(173)	-	(35,762)	-	(5,506)	(1,133)	-	(42,574)
Government transfers for capital	-	-	2,815	-	-	-	-	2,815
	(173)	-	(32,947)	-	(5,506)	(1,133)	-	39,759
<b>INCOME FROM OPERATIONS</b>	\$ 112,626	\$ (26,209)	\$ (54,830)	\$ (6,380)	\$ (39,837)	\$ (8,487)	\$ -	\$ (25,932)

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**

**Consolidated Schedule of Changes in Accumulated Surplus  
Year Ended December 31, 2018**

*(Schedule 5)*

	Unrestricted Surplus	Operating Reserve	Capital Reserves	Equity in Tangible Capital Assets	<b>Total 2018</b>	Total 2017
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 65,045	\$ 74,205	\$ 84,308	\$ 798,884	\$ <b>1,022,442</b>	\$ 1,000,655
Excess (deficiency) of revenues over expenses	(25,932)	-	-	-	<b>(25,932)</b>	21,787
Current year funds used for tangible capital assets	(1,235)	-	-	1,235	-	-
Annual amortization expense	42,574	-	-	(42,574)	-	-
Net transfers to/from reserves	(16,434)	10,899	5,535	-	-	-
	(1,027)	10,899	5,535	(41,339)	<b>(25,932)</b>	21,787
<b>BALANCE, END OF YEAR</b>	\$ 64,018	\$ 85,104	\$ 89,843	\$ 757,545	\$ <b>996,510</b>	\$ 1,022,442

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of South View are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. 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 change in financial position of the Summer Village of South View (the "Summer Village"). The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Summer Village and are, therefore accountable to the Summer Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tax Revenue

Annually, the Summer Village bills and collects property tax revenues for municipal purposes. Tax revenues are based on assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by Summer Village Council in accordance with legislation and Summer Village Council approved policies to raise the tax revenue required to meet the Summer Village's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Consolidated Schedule of Property and Other Taxes.

The Summer Village also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Consolidated Schedule of Property and Other Taxes (Schedule 1).

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.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt less actuarial requirements for the retirement of any sinking fund debentures.

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**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Requisition Over-levy and Under-levy

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 as property tax revenue.

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

Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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.

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.

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**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 years
Buildings	25 - 50 years
Machinery and equipment	10 - 15 years
Engineered structures	10 - 75 years

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.

Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

2. CASH AND TEMPORARY INVESTMENTS

	2018	2017
Cash	\$ 208,622	\$ 198,655
Restricted cash	48,972	33,459
Restricted term deposits	42,226	150,338
	<b>\$ 299,820</b>	<b>\$ 382,452</b>

Short term deposits are temporary investments with maturities of one year or less.

Included in cash are restricted amounts received from municipal grants and are held exclusively for future approved projects. See Note 7.

3. TEMPORARY INVESTMENTS

	2018 Cost	2018 Market value	2017 Cost	2017 Market value
Short term note due January 2018	\$ -	\$ -	\$ 40,298	\$ 40,298
Short term note due May 2018	-	-	31,231	31,231
Short term note due October 2018	-	-	24,891	24,891
Short term note due December 2018	-	-	5,962	5,962
Short term note due February 2018	-	-	5,962	5,962
Short term note due January 2018	-	-	41,995	41,995
Short term note due January 2019	42,226	42,226	-	-
	<b>\$ 42,226</b>	<b>\$ 42,226</b>	<b>\$ 150,339</b>	<b>\$ 150,339</b>

Short term notes and deposits have effective interest rates of 0.55% (2017 – 0.50%) and mature in less than one year. See Note 2 for the breakdown between the restricted and unrestricted portions.

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

4. TAXES AND GRANTS IN PLACE OF TAXES

Taxes and grants in place of taxes are comprised of:

	2018	2017
Current taxes and grants in place of taxes	\$ 21,805	\$ 11,414
Arrears taxes and grants in place of taxes	16,271	8,828
	<b>\$ 38,076</b>	<b>\$ 20,242</b>

5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2018	2017
Government grants receivable	\$ 124,315	\$ 40,151
Goods and Services Tax refundable	3,392	10,008
	<b>\$ 127,707</b>	<b>\$ 50,159</b>

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 173,252	\$ -	\$ 173,252	\$ 173,252
Land improvements	72,286	57,188	15,098	17,231
Engineered structures	864,537	301,826	562,711	524,198
Buildings	10,701	4,402	6,299	6,472
Machinery and equipment	9,645	9,460	185	25,727
Assets under construction	-	-	-	52,003
	<b>\$ 1,130,421</b>	<b>\$ 372,876</b>	<b>\$ 757,545</b>	<b>\$ 798,883</b>

The net book value of the tangible capital assets at year end also represents the amount of equity in tangible capital assets.

Equity in tangible capital assets equals the tangible capital assets balance.

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

7. DEFERRED REVENUE

Deferred revenue is comprised of:

	2018	2017
Municipal Sustainability Initiative - Capital	\$ 173,819	\$ 92,190
Alberta Community Partnership (ACP) Program	41,694	51,456
Other deferred revenue	10,625	4,940
Prepaid taxes	658	1,601
	<b>\$ 226,796</b>	<b>\$ 150,187</b>

**Municipal Sustainability Initiative - Capital**

The Municipal Sustainability Initiative - Capital is restricted to eligible capital projects, as approved under the funding agreement. Funds from this grant are being deferred for a future capital project.

**Alberta Community Partnership (ACP) Program**

Funding from the Provincial Government was allocated to the Summer Village from the Alberta Community Partnership (ACP) Program. The program funding is restricted to projects related to developing an inventory of municipal bylaws and policies and for conducting an analysis to guide intermunicipal operations in partnership with the Town of Onoway and the Summer Villages of Nakamun Park, Silver Sands, Sunrise Beach, Sunset Beach, West Cove, and Yellowstone. These funds are held "in trust" by the Summer Village on behalf of all the participating municipalities. Unexpended funds related to the advance from the Provincial Government are supported by restricted cash and term deposits held exclusively for these projects (refer to Note 2).

8. DEBT LIMITS

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

	2018	2017
Total debt limit	\$ 343,188	\$ 567,609
Total debt	-	-
Amount of debt limit unused	343,188	567,609
Debt servicing limit	57,198	94,602
Debt servicing	-	-
Amount of debt servicing limit unused	<b>\$ 57,198</b>	<b>\$ 94,602</b>

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.

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

9. SEGMENTED DISCLOSURE

The Summer Village of South View provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 4).

10. 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:

			<b>2018</b>		2017	
	Honorarium / Salary (1)	Benefits & allowances (2)	<b>Total</b>		Total	
S. Benford - Councillor	\$ 3,750	\$ -	\$ 3,750	\$	3,000	
G. Ward. - Councillor	1,525	-	1,525		1,500	
B. Johnson - Councillor	1,575	-	1,575		1,500	
Designated Officers	15,795	-	15,795		15,630	
Administration	36,842	-	36,842		36,085	
	\$ 59,487	\$ -	\$ 59,487	\$	57,715	

1. Honorariums and salaries includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Administrative services are paid via contract for the Chief Administrative Officer and Designated Officers.

2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

11. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy and long term debt.

It is management's opinion that the Summer Village is not exposed to significant interest or currency risks arising from these financial instruments.

Credit risk

Credit risk arises from the possibility that taxpayers and entities to which the municipality provides services may experience financial difficulty and be unable to fulfil their obligations. The municipality is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade, and other receivables. The large number and diversity of taxpayers and customers minimizes the credit risk.

(continues)

**SUMMER VILLAGE OF SOUTH VIEW**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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11. FINANCIAL INSTRUMENTS *(continued)*

Fair value

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Summer Village manages exposure through its normal operating and financing activities.

The Summer Village is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

12. LITIGATION

Two residents of the summer village filed a claim against the municipality for compensation in regards to damage to their properties in the amount of \$75,000 plus costs. The Summer Village has referred the matter to their solicitors which is now currently handled entirely by the municipality's insurance company. The insurance adjustor has indicated that these claims have not proceeded with defence council, thus are not currently continuing. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

13. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

14. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited.