

**SUMMER VILLAGE OF SUNDANCE BEACH**

**Financial Statements**

**For The Year Ended December 31, 2010**

# SUMMER VILLAGE OF SUNDANCE BEACH

## Financial Statements

For The Year Ended December 31, 2010

### CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Schedule of Changes In Accumulated Surplus - Schedule 1	6
Schedule of Tangible Capital Assets - Schedule 2	7
Schedule of Property Taxes - Schedule 3	8
Schedule of Government Transfers - Schedule 4	9
Schedule of Consolidated Expenses by Object - Schedule 5	10
Notes to the Financial Statements	11 - 15

Allan J. Grykuliak, C.A.\*  
Scott T. Mockford, C.A.\*

**INDEPENDENT AUDITORS' REPORT**

11210 - 107 Avenue N.W. 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

\* Operates as a Professional Corporation

To the Mayor and Council  
Summer Village of Sundance Beach

We have audited the consolidated statement of financial position of the Summer Village of Sundance Beach as at December 31, 2010, and the consolidated statement of operations, change in net financial assets, consolidated statement of cash flows for the year then ended. These financial statements are the responsibility of the municipal administration. Our responsibility is to express an opinion on these financial statements based on our audit.

**Management's Responsibility for the Consolidated Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

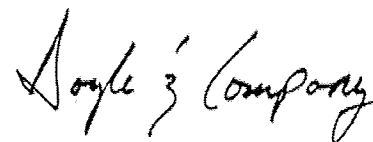
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Summer Village of Sundance Beach as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta  
November 28, 2011

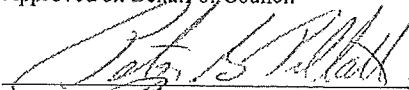


Chartered Accountants

**SUMMER VILLAGE OF SUNDANCE BEACH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2010**

	2010	2009
	\$	\$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	348,710	385,107
Restricted cash - sewer levies (Note 2)	126,502	95,668
Property taxes receivable	21,342	2,826
Receivable from other governments	5,972	9,331
Trade and other receivables	200	200
	502,726	493,132
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	42,181	24,569
Deposit liabilities	500	500
Deferred revenue - grants	77,294	101,131
Deferred revenue - sewer levies (Note 2)	126,502	95,668
	246,477	221,868
<b>NET FINANCIAL ASSETS</b>	<b>256,249</b>	<b>271,264</b>
<b>NON FINANCIAL ASSETS</b>		
Tangible capital assets (Note 3 and 9)	1,053,156	1,035,197
<b>ACCUMULATED SURPLUS (NOTE 5)</b>	<b>1,309,405</b>	<b>1,306,461</b>

Approved on Behalf of Council

 Mayor

 Councilor

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF SUNDANCE BEACH

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget Unaudited \$	2010 Actual \$	2009 Actual \$
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	169,801	174,412	158,607
User fees and other	1,800	3,244	2,047
Penalties and costs on taxes	-	5,865	2,947
Return on investments	1,600	1,405	1,014
Government transfers (Schedule 4)	12,671	16,537	12,298
Public Utility Lot Levy	-	765	-
Easement holder fees	2,940	3,080	2,940
<b>TOTAL REVENUE</b>	<b>188,812</b>	<b>205,308</b>	<b>179,853</b>
<b>EXPENSES</b>			
Legislative	10,700	31,576	11,160
Administration	65,822	83,461	44,981
Police	24,000	28,490	15,240
Fire and ambulance	16,000	15,840	20,739
Roads, streets, walks, and lighting	10,850	17,302	13,695
Waste management	20,000	19,590	17,598
Planning and development	1,500	4,111	2,651
Sewer	22,800	13,405	11,678
Parks and recreation	8,400	6,550	7,892
Community hall	2,300	2,544	2,192
Easement holder fees	2,940	1,754	2,940
<b>TOTAL EXPENSES</b>	<b>185,312</b>	<b>224,623</b>	<b>150,766</b>
<b>EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>3,500</b>	<b>(19,315)</b>	<b>29,087</b>
<b>OTHER</b>			
Government transfer for capital (Schedule 4)	-	22,259	-
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>3,500</b>	<b>2,944</b>	<b>29,087</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>1,306,461</b>	<b>1,312,200</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>3,500</b>	<b>1,309,405</b>	<b>1,306,461</b>

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF SUNDANCE BEACH

## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget (Unaudited) \$	2010 Actual \$	2009 Actual \$
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>3,500</b>	<b>2,944</b>	<b>29,087</b>
Acquisition of tangible capital assets	-	(22,259)	-
Amortization of tangible capital assets	-	4,300	3,187
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>3,500</b>	<b>(15,015)</b>	<b>32,274</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>271,264</b>	<b>271,264</b>	<b>238,990</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>274,764</b>	<b>256,249</b>	<b>271,264</b>

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF SUNDANCE BEACH

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and government agencies	232,256	221,672
Cash paid to suppliers	(237,819)	(145,651)
	(5,563)	76,021
<b>(DECREASE) INCREASE IN CASH DURING THE YEAR</b>	<b>(5,563)</b>	<b>76,021</b>
<b>CASH - Beginning of year</b>	<b>480,775</b>	<b>404,754</b>
<b>CASH - End of year</b>	<b>475,212</b>	<b>480,775</b>

The accompanying notes form part of these financial statements.

**SUMMER VILLAGE OF SUNDANCE BEACH**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS - SCHEDULE 1**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010 \$	2009 \$
<b>Balance, Beginning of year as previously reported</b>	49,086	222,178	1,070,023	1,341,287	1,312,200
Correction of roadway asset value (Note 9)	-	-	(34,826)	(34,826)	(34,826)
<b>Balance, Beginning of year as restated</b>	49,086	222,178	1,035,197	1,306,461	1,277,374
Excess (deficiency) of revenue over expenses	2,944	-	-	2,944	29,087
AMIP contribution from 2008/2009 used for tangible capital assets	(22,259)	-	22,259	-	-
Annual amortization expenses	4,300	-	(4,300)	-	-
Change in accumulated surplus	(15,015)	-	17,959	2,944	(5,739)
<b>Balance, End of Year</b>	<b>34,071</b>	<b>222,178</b>	<b>1,053,156</b>	<b>1,309,405</b>	<b>1,306,461</b>

The accompanying notes form part of these financial statements.



**SUMMER VILLAGE OF SUNDANCE BEACH**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010		2009			
	Land	Buildings	Engineered Structures	Machinery and Equipment	\$	\$
<b>COST:</b>						
Balance, Beginning of Year	904,200	63,233	154,110	7,413	1,128,956	1,163,782
Acquisition of tangible capital assets	-	-	22,259	-	22,259	-
Disposal of tangible capital assets	-	-	-	-	-	-
Correction of roadway asset value (Note 9)	-	-	-	-	-	(34,826)
Balance, End of Year	904,200	63,233	176,369	7,413	1,151,215	1,128,956
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	-	63,233	26,820	3,706	93,759	90,572
Annual amortization	-	-	3,559	741	4,300	3,187
Accumulated amortization on disposals	-	-	-	-	-	-
Balance, End of Year	-	63,233	30,379	4,447	98,059	93,759
<b>NET BOOK VALUE</b>	<b>904,200</b>	<b>-</b>	<b>145,990</b>	<b>2,966</b>	<b>1,053,156</b>	<b>1,035,197</b>

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF SUNDANCE BEACH

## SCHEDULE OF PROPERTY TAXES - SCHEDULE 3

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget (Unaudited) \$	2010 Actual \$	2009 Actual \$
<b>TAXATION</b>			
Real property taxes	327,427	342,967	315,712
Linear property taxes	200	604	720
<b>TOTAL TAXATION</b>	<b>327,627</b>	<b>343,571</b>	<b>316,432</b>
<b>REQUISITIONS</b>			
Albert School Foundation Fund - non-residence requisition	526	407	525
Albert School Foundation Fund - residential requisition	157,300	168,752	157,300
	157,826	169,159	157,825
<b>NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES</b>	<b>169,801</b>	<b>174,412</b>	<b>158,607</b>

The accompanying notes form part of these financial statements.

**SUMMER VILLAGE OF SUNDANCE BEACH**  
**SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>2010 Budget (Unaudited) \$</b>	<b>2010 Actual \$</b>	<b>2009 Actual \$</b>
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	12,671	16,537	12,298
<b>TRANSFERS FOR CAPITAL</b>			
Alberta Municipal Infrastructure Program Contributions from 2008/2009	-	22,259	-
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>12,671</b>	<b>38,796</b>	<b>12,298</b>

The accompanying notes form part of these financial statements.

**SUMMER VILLAGE OF SUNDANCE BEACH**  
**SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT - SCHEDULE 5**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>2010 Budget (Unaudited)</b>	<b>2010 Actual</b>	<b>2009 Actual</b>
	\$	\$	\$
<b>EXPENSES</b>			
Bank charges and short term interest	400	364	120
Contracted and general services	154,544	164,525	128,354
Materials, goods, supplies, and utilities	19,218	47,896	13,068
Salaries, wages and benefits	6,050	7,538	6,037
Amortization of tangible capital assets	-	4,300	3,187
<b>TOTAL EXPENSES</b>	<b>180,212</b>	<b>224,623</b>	<b>150,766</b>

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF SUNDANCE BEACH

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles for municipal governments as recommended by the Canadian Institute of Chartered Accountants. Significant aspects of these accounting principles are as follows:

#### (a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the council and are owned or controlled by the municipality.

The schedule of taxes levied also includes operating 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.

#### (b) Basis of Accounting

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recorded in the period the goods or services are acquired and a liability is incurred.

#### (c) Fund Accounting

The Summer Village's funds consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Proceeds from sale of land are recorded as revenue in the operating fund.

#### (d) 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.

#### (e) 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 revenue over expenditures, provides the consolidated Change in Net Financial Assets for the year.

# SUMMER VILLAGE OF SUNDANCE BEACH

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

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### 1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### (f) 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:

##### i) Amortization

	Years
Buildings	40
Engineering Structures - Roads	10
Engineering Structures - Other	35 - 40
Machinery and equipment	10

Assets under construction are not amortized until the asset is available for productive use.

##### ii) 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.

##### iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental of ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

#### (g) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# SUMMER VILLAGE OF SUNDANCE BEACH

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

### 2. RESTRICTED CASH - SEWER LEVIES

Restricted cash consists of sewer levies collected from rate payors to be used for a future sewer construction project. These funds are held by the Summer Village in trust on behalf of the rate payors. In the event the construction project does not proceed, the funds will be returned to the rate payors. The amount is offset by deferred revenue of \$126,502.

### 3. TANGIBLE CAPITAL ASSETS

Net book value of tangible capital assets is as follows:

	2010	2009
	\$	\$
Land	904,200	904,200
Buildings	-	-
Engineering Structures	145,990	162,116
Machinery and Equipment	2,966	3,707
	<b>1,053,156</b>	<b>1,070,023</b>

### 4. EQUITY IN TANGIBLE CAPITAL ASSETS

	2010	2009
	\$	\$
Tangible capital assets (Schedule 2)	1,151,215	1,128,956
Accumulated amortization (Schedule 2)	(98,059)	(93,759)
	<b>1,053,156</b>	<b>1,035,197</b>

### 5. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2010	2009
	\$	\$
Unrestricted surplus	34,071	49,086
Restricted surplus		
General operating reserve	91,929	91,929
General capital reserve	38,515	38,515
Roads and street reserve	91,734	91,734
	<b>222,178</b>	<b>222,178</b>
Equity in tangible capital assets	<b>1,053,156</b>	<b>1,035,197</b>
	<b>1,309,405</b>	<b>1,306,461</b>

# SUMMER VILLAGE OF SUNDANCE BEACH

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

### 6. SALARY & BENEFIT DISCLOSURE

Disclosure of salaries and benefits for municipal officials and the Chief Administrative Officer as required by Alberta Regulation 313/00 is as follows:

	Salary (1) \$	Benefits & Allowances (2) \$	Total 2010 \$	Total 2009 \$
Mayor & Councilors				
Peter Pellatt - Mayor	10,551	-	10,551	3,188
Brian Waterhouse - Councilor	9,000	63	9,063	2,944
Allan Harris - Councilor	7,200	63	7,263	1,944
Administrator - Anita Blais	29,539	2,000	31,539	21,945
Administration - Village of Thorsby	7,250	-	7,250	-

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, contract fees, and other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments on behalf of employees including travel, pension, health care, dental coverage, vision coverage, group insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.



# SUMMER VILLAGE OF SUNDANCE BEACH

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

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### 7. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits for the Summer Village of Sundance Beach be disclosed as follows:

	2010 \$	2009 \$
Total debt limit	307,962	269,780
Total debt	-	-
Debt limit remaining	307,962	269,780
Service on debt limit	51,327	44,963
Service on debt	-	-
Service on debt limit remaining	51,327	44,963

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 which 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.

### 8. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash and temporary investments, receivables, accounts payable, deposits and deferred revenue. It is management's opinion that the Summer Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

### 9. CORRECTION TO ROADWAY ASSET VALUE

During the year it was determined by Management & Technical Services that there were errors in the Summer Village's land titles base map information. As a result of the correction of these errors the engineering structures asset value has been reduced by \$34,826. Comparative figures have been restated for this correction.

### 10. APPROVAL OF FINANCIAL STATEMENTS

Mayor and council have approved these financial statements.

### 11. BUDGET FIGURES

Budget figures have not been audited.