

SUMMER VILLAGE OF SUNDANCE BEACH
Financial Statements
For The Year Ended December 31, 2009

SUMMER VILLAGE OF SUNDANCE BEACH

Financial Statements

For The Year Ended December 31, 2009

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AUDITORS' REPORT

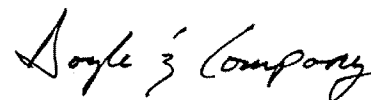
To the Mayor and Council
Summer Village of Sundance Beach

We have audited the consolidated statement of financial position of the Summer Village of Sundance Beach as at December 31, 2009, 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by administration, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Summer Village of Sundance Beach, as at December 31, 2009 and the results of operations and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
June 17, 2010



Chartered Accountants

SUMMER VILLAGE OF SUNDANCE BEACH

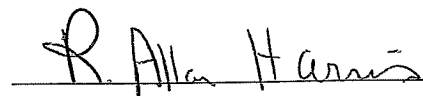
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2009

	2009 \$	2008 \$ (Restated - Note 8)
ASSETS		
FINANCIAL ASSETS		
Cash and temporary investments	385,107	338,854
Restricted cash - sewer levies (Note 2)	95,668	65,900
Property taxes receivable	2,826	16,268
Receivable from other governments	9,331	6,946
Trade and other receivables	200	467
	<u>493,132</u>	<u>428,435</u>
LIABILITIES		
Accounts payable and accrued liabilities	24,569	22,638
Deposit liabilities	500	500
Deferred revenue - grants	101,131	166,307
Deferred revenue - sewer levies	95,668	-
	<u>221,868</u>	<u>189,445</u>
NET FINANCIAL ASSETS	<u>271,264</u>	<u>238,990</u>
NONE FINANCIAL ASSETS		
Tangible capital assets (Note 3)	1,070,023	1,073,210
ACCUMULATED SURPLUS (NOTE 5)	<u>1,341,287</u>	<u>1,312,200</u>

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, 2009

	2009 Budget Unaudited	2009 Actual	2008 Actual (Restated - Note 8)
	\$	\$	\$
REVENUE			
Net municipal property taxes (Schedule 2)	158,014	158,607	164,410
User fees and other	2,497	2,047	11,971
Penalties and costs on taxes	-	2,947	2,877
Return on investments	13,882	1,014	8,512
Government transfers (Schedule 3)	-	12,298	7,780
Easement holder fees	2,940	2,940	2,940
TOTAL REVENUE	177,333	179,853	198,490
EXPENSES			
Legislative	13,200	11,160	15,948
Administration	57,965	44,981	41,831
Police	17,028	15,240	16,000
Fire and ambulance	21,139	20,739	20,591
Roads, streets, walks, and lighting	13,073	13,695	15,203
Waste management	17,000	17,598	16,700
Planning and development	1,693	2,651	3,373
Sewer	23,750	11,678	18,431
Parks and recreation	1,770	7,892	7,854
Community hall	2,775	2,192	1,806
Easement holder fees	2,940	2,940	2,773
TOTAL EXPENSES	172,333	150,766	160,510
EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	5,000	29,087	37,980
OTHER			
Government transfer for capital (Schedule 3)	-	-	-
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	5,000	29,087	37,980
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,312,200	1,312,200	1,274,220
ACCUMULATED SURPLUS, END OF YEAR	1,317,200	1,341,287	1,312,200

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, 2009

	2009 Budget (Unaudited)	2009 Actual	2008 Actual (Restated - Note 8)
	\$	\$	\$
EXCESS OF REVENUES OVER EXPENSES	5,000	29,087	37,980
Amortization of tangible capital assets	-	3,187	3,187
INCREASE (DECREASE) IN NET ASSETS	5,000	32,274	41,167
NET FINANCIAL ASSETS, BEGINNING OF YEAR	238,990	238,990	197,823
NET FINANCIAL ASSETS, END OF YEAR	243,990	271,264	238,990

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, 2009

	2009	2008
		(Restated -
	\$	Note 8)
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and government agencies	221,672	279,481
Cash paid to suppliers	(145,651)	(150,405)
	76,021	129,076
INCREASE IN CASH DURING THE YEAR	76,021	129,076
CASH - Beginning of year	404,754	275,678
CASH - End of year	480,775	404,754

The accompanying notes form part of these financial statements.

SUMMER VILLAGE OF SUNDANCE BEACH
SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 1

For the year ended DECEMBER 31, 2009

	2009	2008			
Land	Buildings	Engineered Structures	Machinery and Equipment	\$	\$
COST:					
Balance, Beginning of Year	904,200	63,233	188,936	7,413	1,163,782
Acquisition of tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-
Balance, End of Year	904,200	63,233	188,936	7,413	1,163,782
ACCUMULATED AMORTIZATION:					
Balance, Beginning of Year	-	63,233	24,374	2,965	87,385
Annual amortization	-	-	2,446	741	3,187
Accumulated amortization on disposals	-	-	-	-	-
Balance, End of Year	-	63,233	26,820	3,706	90,572
NET BOOK VALUE	904,200	-	162,116	3,707	1,073,210

The accompanying notes form part of these financial statements.

SUMMER VILLAGE OF SUNDANCE BEACH

SCHEDULE OF PROPERTY TAXES - SCHEDULE 2

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget (Unaudited)	2009 Actual	2008 Actual (Restated - Note 8)
	\$	\$	\$
TAXATION			
Real property taxes	315,049	315,712	306,111
Linear property taxes	720	720	810
TOTAL TAXATION	315,769	316,432	306,921
REQUISITIONS			
Albert School Foundation Fund - non-residence requisition	525	525	597
Albert School Foundation Fund - residential requisition	157,230	157,300	141,914
	157,755	157,825	142,511
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	158,014	158,607	164,410

The accompanying notes form part of these financial statements.

SUMMER VILLAGE OF SUNDANCE BEACH
SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 3
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget (Unaudited)	2009 Actual	2008 Actual (Restated - Note 8)
	\$	\$	\$
TRANSFERS FOR OPERATING			
Provincial Government	-	12,298	7,780
TRANSFERS FOR CAPITAL			
Provincial Government	-	-	-
TOTAL GOVERNMENT TRANSFERS	-	12,298	7,780

The accompanying notes form part of these financial statements.

SUMMER VILLAGE OF SUNDANCE BEACH
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT - SCHEDULE 4
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget (Unaudited)	2009 Actual	2008 Actual (Restated - Note 8)
	\$	\$	\$
EXPENSES			
Bank charges and short term interest	125	120	131
Contracted and general services	153,863	128,354	147,091
Materials, goods, supplies, and utilities	15,345	13,068	6,443
Salaries, wages and benefits	3,000	6,037	3,658
Amortization of tangible capital assets	-	3,187	3,187
TOTAL EXPENSES	172,333	150,766	160,510

The accompanying notes form part of these financial statements.

SUMMER VILLAGE OF SUNDANCE BEACH

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

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, 2009

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, 2009

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 \$ 95,668.

3. TANGIBLE CAPITAL ASSETS

Net book value of tangible capital assets is as follows:

	2009	2008
	\$	\$
Land	904,200	904,200
Buildings	-	-
Engineering Structures	162,116	164,562
Machinery and Equipment	3,707	4,448
	1,070,023	1,073,210

4. EQUITY IN TANGIBLE CAPITAL ASSETS

	2009	2008
	\$	\$
Tangible capital assets (Schedule 1)	1,163,782	1,163,782
Accumulated amortization (Schedule 1)	(93,759)	(90,572)
	1,070,023	1,073,210

5. ACCUMULATED SURPLUS

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

	2009	2008
	\$	\$
Unrestricted surplus	49,086	22,312
Restricted surplus		
General operating reserve	91,929	86,429
General capital reserve	38,515	38,515
Roads and street reserve	91,734	91,734
	222,178	216,678
Equity in tangible capital assets	1,070,023	1,073,210
	1,341,287	1,312,200

SUMMER VILLAGE OF SUNDANCE BEACH

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

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 2009 \$	Total 2008 \$
Mayor & Councilors				
Peter Pellatt - Mayor	2,900	288	3,188	7,748
Brian Waterhouse - Councilor	2,300	644	2,944	3,591
Allan Harris - Councilor	1,800	144	1,944	2,920
Administrator - Anita Blais	19,344	2,601	21,945	21,517

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria 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, 2009

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:

	2009 \$	2008 \$
Total debt limit	269,780	297,735
Total debt	-	-
Debt limit remaining	269,780	297,735
Service on debt limit	44,963	49,622
Service on debt	-	-
Service on debt limit remaining	44,963	49,622

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.

SUMMER VILLAGE OF SUNDANCE BEACH

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

8. PRIOR PERIOD ADJUSTMENT

The Summer Village has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortized their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisition has been included in income. These adjustments are as follows:

	2008
	\$
Adjustments to opening accumulated surplus:	
As previously reported	548,373
Adjustment to net value of tangible capital assets	725,847
As restated	1,274,220
Adjustments to shortfall of revenue or expenses:	
As previously reported	41,167
Tangible capital assets recorded but previously expensed	-
Annual amortization expense	(3,187)
As restated	37,980
Adjustments to tangible capital assets:	
As previously reported	350,550
Adjustment to historical cost of tangible capital assets	813,232
Accumulated amortization recorded	(90,572)
As restated	1,073,210

Certain comparative figures have been restated to conform to the current year's presentation.

9. 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.

10. APPROVAL OF FINANCIAL STATEMENTS

Mayor and council have approved these financial statements.

11. BUDGET FIGURES

Budget figures have not been audited.