
**SUMMER VILLAGE OF SUNSET POINT
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

SUMMER VILLAGE OF SUNSET POINT

DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COUNCIL OF SUMMER VILLAGE OF SUNSET POINT

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated statements of the Summer Village of Sunset Point, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, 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 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

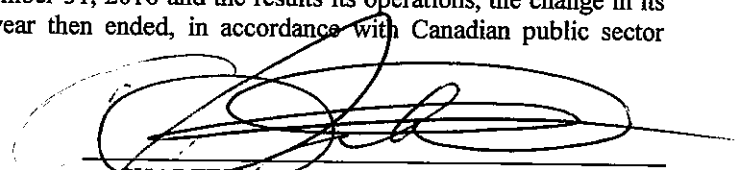
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements,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

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 consolidated financial statements present fairly, in all material respects, the financial position of the Summer Village of Sunset Point as at December 31, 2016 and the results its operations, the 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 7, 2017



CHARTERED PROFESSIONAL ACCOUNTANT

**SUMMER VILLAGE OF SUNSET POINT
CONSOLIDATED FINANCIAL POSITION
DECEMBER 31, 2016**

	2016	2015
FINANCIAL ASSETS		
Cash (Note 2)	\$ 598,346	\$ 659,489
Taxes receivable (Note 3)	19,328	15,291
Trade and other receivables	1,590	25,000
Goods and services tax receivable	20,190	11,417
	<u>639,454</u>	<u>711,197</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,291	38,639
Over-levy on requisitions	3,716	-
Deferred revenue (Note 4)	323,850	353,878
Long term debt (Note 5)	-	7,387
	<u>328,857</u>	<u>399,904</u>
NET FINANCIAL ASSETS	310,597	311,293
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 2)	576,122	569,531
Prepaid expense	503	-
	<u>576,625</u>	<u>569,531</u>
ACCUMULATED SURPLUS (Schedule 1, Note 6)	<u>\$ 887,222</u>	<u>\$ 880,824</u>

Contingencies (Note 8)
APPROVED BY COUNCIL

Elizabeth A. Morrison MAYOR
Elizabeth M. Fudge COUNCILLOR

**SUMMER VILLAGE OF SUNSET POINT
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016**

	BUDGET	2016	2015
REVENUE			
Net municipal taxes (Schedule 3)	\$ 374,846	\$ 355,789	\$ 333,080
Waste water treatment and disposal	45,848	30,949	37,071
Government transfers for operating (Schedule 4)	5,848	25,824	17,094
Rental	9,200	7,800	8,000
Penalties and costs of taxes	10,000	4,788	7,443
Other revenues	1,600	1,594	2,068
Other requisitions	-	405	-
Investment income	-	-	635
TOTAL REVENUE	447,342	427,149	405,391
EXPENSES			
Water waste treatment and disposal	160,452	192,300	139,050
Roads, streets, walks and lighting	71,250	82,978	73,663
Administration	76,399	70,980	65,311
Parks and recreation	52,900	55,253	51,635
Waste management	37,500	32,383	33,854
Legislative	29,200	29,785	33,689
Water	7,200	7,350	7,211
Amortization	-	3,409	1,916
Culture	2,000	1,950	950
TOTAL EXPENSES	436,901	476,388	407,279
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	10,441	(49,239)	(1,888)
OTHER			
Government transfers for capital (Schedule 4)	-	55,637	-
EXCESS OF REVENUE OVER EXPENSES	10,441	6,398	(1,888)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	880,824	880,824	882,712
ACCUMULATED SURPLUS, END OF YEAR	\$ 891,265	\$ 887,222	\$ 880,824

**SUMMER VILLAGE OF SUNSET POINT
CONSOLIDATED STATEMENT OF CHANGE IN NET
FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2016**

	BUDGET	2016	2015
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ <u>10,441</u>	\$ <u>6,398</u>	\$ <u>(1,888)</u>
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(10,000)	(49,730)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	<u>-</u>	<u>3,409</u>	<u>1,916</u>
USE OF PREPAID ASSETS	<u>-</u>	<u>(503)</u>	<u>-</u>
INCREASE IN NET FINANCIAL ASSETS	10,441	(696)	(49,702)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>311,293</u>	<u>311,293</u>	<u>360,995</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>321,734</u></u>	\$ <u><u>310,597</u></u>	\$ <u><u>311,293</u></u>

**SUMMER VILLAGE OF SUNSET POINT
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016**

	2016	2015
OPERATING		
Cash received from rate payers	\$ 580,324	\$ 575,726
Cash received from government transfers	51,434	42,152
Cash received from investments	-	635
Cash paid for expenses	(510,831)	(368,961)
Cash paid for requisitions	(164,683)	(166,645)
	(43,756)	82,907
CAPITAL		
Purchases of tangible capital assets	(10,000)	(49,730)
FINANCING		
Long term debt repaid	(7,387)	(6,953)
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR	(61,143)	26,224
CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR	659,489	633,265
CASH AND TEMPORARY INVESTMENTS AT END OF YEAR (Note 2)	\$ 598,346	\$ 659,489

**SUMMER VILLAGE OF SUNSET POINT
 SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
 YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 1

	UNRESTRICTED SURPLUS	RESTRICTED SURPLUS	EQUITY IN TANGIBLE CAPITAL ASSETS	2016	2015
BALANCE, BEGINNING OF YEAR	\$ 132,907	\$ 185,773	\$ 562,144	\$ 880,824	\$ 882,712
Excess (deficiency) of revenues over expenses	6,398	-	-	6,398	(1,888)
Restricted funds used for operations	56,991	(56,991)	-	-	-
Current year funds used for tangible capital assets	(10,000)	-	10,000	-	-
Annual amortization expense	3,409	-	(3,409)	-	-
Long term debt repaid	(7,387)	-	7,387	-	-
Change in accumulated surplus	49,411	(56,991)	13,978	6,398	(1,888)
BALANCE, END OF YEAR	182,318	128,782	576,122	887,222	880,824

**SUMMER VILLAGE OF SUNSET POINT
 SCHEDULE OF TANGIBLE CAPITAL ASSETS
 YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 2

COST:	LAND	BUILDING	ENGINEERED STRUCTURES	MACHINERY & EQUIPMENT	2015	
					2016	2015
Balance, beginning of year	\$ 517,004	\$ 33,663	\$ 1,080,480	\$ 8,127	\$ 1,639,274	\$ 1,589,544
Acquisition of tangible capital assets	-	-	10,000	-	10,000	49,730
Balance, end of year	517,004	33,663	1,090,480	8,127	1,649,274	1,639,274
ACCUMULATED AMORTIZATION:						
Balance, beginning of year		29,623	1,031,993	8,127	1,069,743	1,067,827
Annual amortization	-	673	2,736	-	3,409	1,916
Balance, end of year	-	30,296	1,034,729	8,127	1,073,152	1,069,743

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2016	2015
\$ 517,004	\$ 576,122	\$ 569,531

2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2016
\$ 517,004	\$ 569,531

Al Scherbarth
 Professional Corporation
 Chartered Professional Accountant

**SUMMER VILLAGE OF SUNSET POINT
 SCHEDULE OF PROPERTY AND OTHER TAXES
 YEAR ENDED DECEMBER 31, 2016**

	SCHEDULE 3		
	BUDGET	2016	2015
TAXATION			
Real property taxes	\$ 523,856	\$ 503,101	\$ 482,454
Special assessments	13,550	13,286	13,286
Linear property taxes	4,085	4,085	3,985
	<hr/> 541,491	<hr/> 520,472	<hr/> 499,725
REQUISITION			
Alberta School Foundation Fund	152,883	151,801	152,883
Lac St. Anne Requisition	13,762	12,882	13,762
	<hr/> 166,645	<hr/> 164,683	<hr/> 166,645
NET MUNICIPAL TAXES	<hr/> \$ 374,846	<hr/> \$ 355,789	<hr/> \$ 333,080

**SUMMER VILLAGE OF SUNSET POINT
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2016**

	SCHEDULE 4		
	BUDGET	2016	2015
TRANSFERS FOR OPERATING			
Provincial government	\$ 5,848	\$ 25,824	\$ 17,094
TRANSFERS FOR CAPITAL			
Provincial government	-	55,637	-
TOTAL GOVERNMENT TRANSFERS	\$ 5,848	\$ 81,461	\$ 17,094

**CONSOLIDATED SCHEDULE OF EXPENDITURES BY OBJECT
YEAR ENDED DECEMBER 31, 2016**

	SCHEDULE 5		
	BUDGET	2016	2015
EXPENSES			
Contracted and general services	\$ 230,737	\$ 230,781	\$ 213,250
Transfers to other governments	167,852	201,365	146,360
Salaries wages and benefits	33,350	36,046	36,250
Materials goods and utilities	4,500	4,612	8,876
Amortization of tangible capital assets	-	3,409	1,916
Interest	462	175	627
TOTAL EXPENDITURE	\$ 436,901	\$ 476,388	\$ 407,279

**SUMMER VILLAGE OF SUNSET POINT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Summer Village of Sunset Point are the representatives of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Significant aspects of the accounting policies adopted by the Summer Village are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations of all of the organizations that are owned or controlled by the Summer Village Council for the administration of their financial affairs and resources.

(b) 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 the receipt of goods and 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.

(c) 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.

(d) Investments

Investments are recorded at amortized cost.

(e) 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.

**SUMMER VILLAGE OF SUNSET POINT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

(g) 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.

(h) 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.

(i) 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:

Buildings	50 years
Engineered structures - roads	10-20 years
Machinery and equipment	5-10 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

2. CASH

	2016	2015
Unrestricted Cash	\$ 469,564	\$ 473,716
Restricted Cash	<u>128,782</u>	<u>185,773</u>
	<u>\$ 598,346</u>	<u>\$ 659,489</u>

**SUMMER VILLAGE OF SUNSET POINT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

3. TAXES RECEIVABLE

	2016	2015
Current taxes	\$ 9,842	\$ 8,329
Arrears	<u>9,486</u>	<u>6,962</u>
	<u>\$ 19,328</u>	<u>\$ 15,291</u>

4. DEFERRED REVENUE

	2016	2015
Municipal Sustainability Grant - Capital	\$ 297,014	\$ 268,192
Federal Gas Tax Fund	16,608	17,010
Basic Municipal Transportation Grant	10,228	58,807
Municipal Sustainability Grant - Operating	-	9,448
Sponsorship Grant	<u>-</u>	<u>421</u>
	<u>\$ 323,850</u>	<u>\$ 353,878</u>

5. LONG TERM DEBT

	2016	2015
Self supported debentures	\$ <u>-</u>	\$ <u>7,387</u>

Debenture matured in the current year and has been repaid in full.

6. ACCUMULATED SURPLUS

	2016	2015
Unrestricted surplus	182,318	132,907
Restricted surplus		
Infrastructure	\$ 109,184	\$ 109,184
Capital	12,598	12,598
Snow removal	7,000	7,000
Utility	<u>-</u>	<u>56,991</u>
Total restricted surplus	128,782	185,773
Equity in tangible capital assets	<u>576,122</u>	<u>562,144</u>
	<u>\$ 887,222</u>	<u>\$ 880,824</u>

**SUMMER VILLAGE OF SUNSET POINT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

7. 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 Sunset Point be disclosed as follows:

	2016	2015
Total debt limit	\$ 640,724	\$ 608,087
Total debt	<u>-</u>	<u>7,387</u>
Amount total debt limit unused	<u>\$ 640,724</u>	<u>600,700</u>
Debt servicing limit	\$ 106,787	101,348
Debt servicing	<u>-</u>	<u>-</u>
Amount of debt servicing limit unused	<u>\$ 106,787</u>	<u>101,348</u>

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.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	Net 2016	Net 2015
Tangible capital assets (Schedule 2)	\$ 1,649,274	\$ 1,639,274
Accumulated amortization (Schedule 2)	(1,073,152)	(1,069,743)
Long term debt (Note 5)	<u>-</u>	<u>(7,387)</u>
	<u>\$ 576,122</u>	<u>\$ 562,144</u>

**SUMMER VILLAGE OF SUNSET POINT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2016**

9. SALARY & BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	2016			2015
	Salary	Benefits & Allowances	Total	Total
Mayor:				
Ann Morrison	\$ 4,100	\$ 4,949	\$ 9,049	7,700
Councillors:				
Betty Forfylow	3,500	1,914	5,414	4,250
Richard Martin	3,500	1,246	4,746	2,140
Guy Poirer	-	-	-	1,088
Village Administrator	42,420	985	43,405	38,538

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances figures also include the Employer's share of the costs of additional taxable benefits including travel allowance.

10. CONTINGENCIES

The Summer Village of Sunset Point is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Summer Village of Sunset Point could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

11. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash, taxes and grants in place of taxes, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, prepaid taxes over-levy on requisitions and deferred revenue. It is management's opinion that the Summer Village is not exposed to significant interest or current risks arising from these financial instruments.

The Summer Village is subject to credit risk with respect to taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Summer Village provides services may experience financial difficulty and be unable to fulfill their obligations. The number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

12. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements. The budgeted figures have been presented for information purposes and are unaudited.