
**SUMMER VILLAGE OF WHISPERING HILLS
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMER VILLAGE OF WHISPERING HILLS

DECEMBER 31, 2009

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AUDITOR'S REPORT

**TO THE MAYOR AND COUNCIL OF
SUMMER VILLAGE OF WHISPERING HILLS**

I have audited the statement of consolidated financial position of SUMMER VILLAGE OF WHISPERING HILLS as at December 31, 2009, and the consolidated statement of revenues, expenditures and changes in fund and changes in cash flows for the year then ended. These financial statements are the responsibility of the municipal administration. 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 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 municipal administration, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the as at December 31, 2009 and the results of operations and changes in financial position for the year then ended, in accordance with Canadian generally accepted accounting principles.

EDMONTON, ALBERTA
APRIL 5, 2010

CERTIFIED MANAGEMENT ACCOUNTANT

**SUMMER VILLAGE OF WHISPERING HILLS
CONSOLIDATED FINANCIAL POSITION
DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
ASSETS		
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 201,187	\$ 127,275
Taxes and grants in lieu receivables (Note 3)	10,362	8,044
Trade and other receivable	15,556	28,965
Prepaid expenses	21,891	994
	<hr/> 248,996	<hr/> 165,278
CAPITAL ASSETS (Note 4)	<hr/> 658,855	<hr/> 686,298
	<hr/> \$ 907,851	<hr/> \$ 851,576
LIABILITIES		
Accounts payable and accrued liabilities	\$ 11,533	\$ 11,187
Tax recovery surplus	4,853	4,853
Long term debt (Note 5)	71,860	90,788
	<hr/> 88,246	<hr/> 106,828
EQUITY		
FUND BALANCES		
OPERATING FUND (Schedule 1)	11,870	10,498
RESERVES (Schedule 6) (Note 6)	220,740	138,740
	<hr/> 232,610	<hr/> 149,238
EQUITY IN CAPITAL ASSETS (Note 4)	<hr/> 586,995	<hr/> 595,510
	<hr/> \$ 907,851	<hr/> \$ 851,576

APPROVED BY COUNCIL

**SUMMER VILLAGE OF WHISPERING HILLS
CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009**

	BUDGET	2009	2008
REVENUE			
Net taxes available for municipal purposes (Schedule 3)	\$ 110,584	\$ 110,728	\$ 94,782
Provincial government transfers	60,000	101,760	90,230
Other revenues	1,170	17,216	1,418
Penalties and costs on taxes	2,500	2,778	2,605
Return on investments	600	734	3,319
	174,854	233,216	192,354
EXPENDITURES			
OPERATING			
Recreation and parks	33,905	41,130	6,841
Administration	37,736	38,835	35,034
Roads streets walks lighting	18,256	30,514	17,884
Waste management	5,200	7,668	2,272
Legislative	5,400	5,934	5,040
Fire and bylaws enforcement	3,350	3,277	2,843
Ambulance	1,000	2,595	4,729
Culture: libraries museums halls	963	963	847
	105,810	130,916	75,490
CAPITAL			
Roads, streets, walks, lighting	-	-	231,984
Recreation and parks	-	-	67,099
	-	-	299,083
TOTAL EXPENDITURES	105,810	130,916	374,573
EXCESS OF REVENUE OVER EXPENDITURES	69,044	102,300	(182,219)
CAPITAL DEBT ISSUED	-	-	100,000
CAPITAL DEBT REPAYED	(18,928)	(18,928)	(9,212)
FUND BALANCE BEGINNING OF YEAR	149,238	149,238	240,669
FUND BALANCE END OF YEAR	\$ 199,354	\$ 232,610	\$ 149,238

**SUMMER VILLAGE OF WHISPERING HILLS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
OPERATING		
Cash received from tax payers	\$ 185,313	\$ 171,508
Grants received	101,760	90,230
Cash from other services	19,472	1,418
Cash received from investments	-	3,787
Cash paid for requisitions	(76,903)	(75,949)
Cash paid for expenses	(136,802)	(89,491)
	<u>92,840</u>	<u>101,503</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(299,083)
FINANCING ACTIVITIES		
Long term debt issued	-	100,000
Long term debt repaid	(18,928)	(9,212)
	<u>(18,928)</u>	<u>90,788</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	73,912	(106,792)
NET CASH AND TEMPORARY INVESTMENT AT BEGINNING OF YEAR	<u>127,275</u>	<u>234,067</u>
NET CASH AND TEMPORARY INVESTMENTS AT END OF YEAR	<u>\$ 201,187</u>	<u>\$ 127,275</u>

**SUMMER VILLAGE OF WHISPERING HILLS
 SCHEDULE OF OPERATING FUND ACTIVITIES
 YEAR ENDED DECEMBER 31, 2009**

	SCHEDULE 1		
	BUDGET	<u>2009</u>	<u>2008</u>
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 110,584	\$ 110,728	\$ 94,782
Provincial government transfers	60,000	79,300	90,230
Other revenues	1,170	17,216	1,418
Penalties and costs on taxes	2,500	2,778	2,605
Return on investments	600	734	3,319
	<u>174,854</u>	<u>210,756</u>	<u>192,354</u>
EXPENDITURES			
Recreation and parks	33,905	41,130	6,841
Administration	37,736	38,835	35,034
Roads streets walks lighting	18,256	30,514	17,884
Waste management	5,200	7,668	2,272
Legislative	5,400	5,934	5,040
Fire and bylaws enforcement	3,350	3,277	2,843
Ambulance	1,000	2,595	4,729
Culture: libraries museums halls	963	963	847
	<u>105,810</u>	<u>130,916</u>	<u>75,490</u>
EXCESS OF REVENUES OF EXPENDITURES	69,044	79,840	116,864
NET-INTER FUND TRANSFERS			
Capital debt repaid	(18,928)	(18,928)	(9,212)
Transfer from (to) reserves	(47,000)	(59,540)	50,000
Transfer from (to) capital fund	-	-	(199,083)
CHANGE IN FUND BALANCE	3,116	1,372	(41,431)
FUND BALANCE BEGINNING OF YEAR	10,498	10,498	51,929
FUND BALANCE END OF YEAR	\$ 13,614	\$ 11,870	\$ 10,498

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF CAPITAL FUND FINANCIAL ACTIVITIES
AND CHANGE IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2009**

SCHEDULE 2

	BUDGET	2009	2008
REVENUE			
Provincial Government Transfers	\$ -	\$ 22,460	\$ -
EXPENDITURES			
Roads, streets, walks, lighting	-	-	231,984
Recreation	-	-	67,099
	-	22,460	299,083
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	22,460	(299,083)
CAPITAL FINANCING AND NET INTER FUND TRANSFERS			
Transfers from operating fund (Schedule 1)	-	-	199,083
Transfer to capital reserve	-	(22,460)	100,000
	-	(22,460)	299,083
CHANGE IN CAPITAL FUND BALANCE	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF PROPERTY TAX LEVIES
YEAR ENDED DECEMBER 31, 2009**

SCHEDULE 3

	BUDGET	2009	2008
TAXATION			
Real property taxes	\$ 185,539	\$ 185,539	\$ 168,496
Linear property taxes	2,092	2,092	2,235
	187,631	187,631	170,731
REQUISITION			
Alberta School Foundation	74,094	73,950	73,179
Great Northern Foundation	2,953	2,953	2,770
	77,047	76,903	75,949
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	\$ 110,584	\$ 110,728	\$ 94,782

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2009**

SCHEDULE 4

	BUDGET	2009	2008
ACQUISITION OF CAPITAL ASSETS			
Roads, streets, walks, lighting	\$ -	\$ -	\$ 231,984
Recreation	-	-	67,099
	-	-	299,083
CAPITAL FINANCING			
Capital debt issued (Schedule 2)	-	-	(100,000)
Capital debt repaid from operating fund (Schedule 1)	18,928	18,928	9,212
	18,928	18,928	(90,788)
AMORTIZATION	(27,443)	(27,443)	(14,266)
CHANGE IN EQUITY BALANCE	(8,515)	(8,515)	194,029
EQUITY BALANCE AT BEGINNING OF YEAR	595,510	595,510	401,481
EQUITY BALANCE AT END OF YEAR	\$ 586,995	\$ 586,995	\$ 595,510

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF OPERATING EXPENDITURES BY OBJECT
YEAR ENDED DECEMBER 31, 2009**

SCHEDULE 5

EXPENDITURES	BUDGET	<u>2009</u>	<u>2008</u>
Contracted and general services	\$ 83,424	\$ 109,053	\$ 56,056
Salaries wages and benefits	20,386	20,063	18,467
Materials goods supplies and utilities	2,000	1,800	967
Capital assets	-	-	299,083
TOTAL EXPENDITURE	\$ 105,810	\$ 130,916	\$ 374,573

**SUMMER VILLAGE OF WHISPERING HILLS
SCHEDULE OF RESERVES
YEAR ENDED DECEMBER 31, 2009**

SCHEDULE 6

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 138,740	\$ 188,740
Transfer (to) from operating fund	59,540	(50,000)
Transfer from capital fund	22,460	-
Balance, end of year	\$ 220,740	\$ 138,740

**SUMMER VILLAGE OF WHISPERING HILLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

(f) Investments

Investments are recorded at cost.

(g) Tangible Capital Assets

As of January 1, 2008, capital assets are recorded at cost in the period they are acquired and recorded as an expenditure within the capital fund. Certain capital assets for which historical cost information is not available has been recorded at current fair market value discounted by a relevant inflation factor.

Amortization is calculated on a straight line basis over the estimated useful life of the assets as follows:

Automotive	10 years
Equipment	20 years
Roads	20 years

(h) Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvements projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowing.

In the event that the prepaid amounts are applied against the related borrowing, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

(i) Allowances for Operating and Physical Assets

Allowances for asset valuations are netted against the related asset and are segregated between operating and capital purposes. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the respective operating and capital fund.

(j) Tax Recovery Surplus

Tax recovery surplus is the excess of proceeds from the sale of tax recovery property after tax arrears and other legal costs have been provided for. Under the provisions of the Municipal Government Act, if the municipality is not satisfied that there are no debts secured against the tax recovery property, it must notify the previous owner of the surplus fund. The previous owner then has up to 10 years after the date of sale to make application to the courts to be paid the surplus. If no application is made within the 10 year period, the municipality may use the money for its own purposes.

(k) Reserves for Future Expenditures

Reserves are established at the discretion of council to set aside funds for future operation and capital expenditures. Transfers to and/or from operating reserves are reflected as an adjustment to the operating fund while transfers to and/or from capital reserves are shown as an adjustment to capital equity.

**SUMMER VILLAGE OF WHISPERING HILLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

3. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2009</u>	<u>2008</u>
Current:		
Current taxes and grants in lieu	\$ 6,775	\$ 6,894
Non- current:		
Tax arrears and grants in lieu	<u>3,587</u>	<u>1,150</u>
	<u>\$ 10,362</u>	<u>\$ 8,044</u>

4. CAPITAL ASSETS

	<u>2009</u>			<u>2008</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 162,000	-	162,000	\$ 162,000
Equipment	78,539	10,535	68,004	71,931
Automotive	5,157	1,806	3,351	3,867
Roads	<u>460,000</u>	<u>34,500</u>	<u>425,500</u>	<u>448,500</u>
Total	<u>\$ 705,696</u>	<u>46,841</u>	<u>658,855</u>	<u>\$ 686,298</u>

5. LONG TERM DEBT

	<u>2009</u>	<u>2008</u>
Tax supported debentures	<u>\$ 71,860</u>	<u>\$ 90,788</u>

The current portion of the long term debt amounts to \$ 19,619. Principal and interest repayments are as follows:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 19,619	2,425	\$ 22,044
2011	20,336	1,709	22,044
2012	21,079	966	22,044
2013	<u>10,826</u>	<u>196</u>	<u>22,044</u>
	<u>\$ 71,860</u>	<u>5,296</u>	<u>\$ 88,176</u>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 3.62% per annum, and matures in 2013. Debenture debt is issued on the credit and security of the Summer Village at large.

Interest on long term debt amounted to \$ 2,726.

**SUMMER VILLAGE OF WHISPERING HILLS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2009**

6. RESERVES

	<u>December 31 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31 2009</u>
Operating reserves:				
Future operations	\$ 138,740	59,540	-	\$ 198,280
Capital reserves:				
Sustainability	-	22,460	-	22,460
	<u>\$ 138,740</u>	<u>82,000</u>	<u>-</u>	<u>\$ 220,740</u>

7. 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:

	<u>2009</u>			<u>2008</u>
	<u>Salary</u>	<u>Allowances</u>	<u>Total</u>	<u>Total</u>
Mayor				
Dennis Irving	150	1,470	1,620	2,506
Councillors				
Dan Galloway	1,000	868	1,868	1,880
Mark Hair	675	1,579	2,254	1,448
Village Administrator	13,911	1,413	15,324	14,052

(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.

8. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by regulation for the Summer Village of Whispering Hills be disclosed as follows:

Total debt limit	\$ 316,134
Total debt	<u>90,788</u>
Amount total debt limit exceeded (under)	<u>\$ (225,346)</u>
Service on debt limit	\$ 52,689
Service on debt	<u>22,044</u>
Amount service on debt limit exceeded (under)	<u>\$ (30,645)</u>