
**SUMMER VILLAGE OF SOUTH BAPTISTE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Al Scherbarth
Professional Corporation
CERTIFIED MANAGEMENT ACCOUNTANT

SUMMER VILLAGE OF SOUTH BAPTISTE

DECEMBER 31, 2007

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AUDITOR'S REPORT

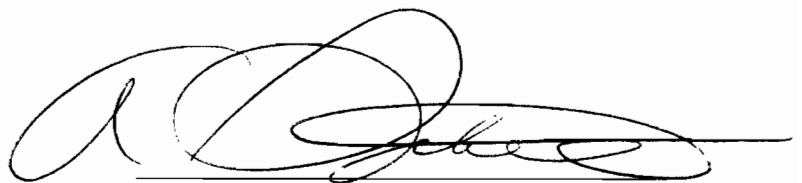
TO THE MAYOR AND COUNCIL OF SUMMER VILLAGE OF SOUTH BAPTISTE

I have audited the consolidated statement of financial position of the Summer Village of South Baptiste as at December 31, 2007, and the consolidated statement of revenues, expenditures and changes in fund balances and the statement of 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 Summer Village as at December 31, 2007 and the results of operations and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

EDMONTON, ALBERTA
MARCH 25, 2008




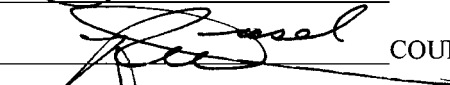
CERTIFIED MANAGEMENT ACCOUNTANT

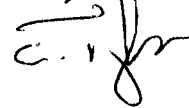
**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007**

	2007	2006
FINANCIAL ASSETS		
Cash	\$ 78,530	\$ 132,885
Taxes receivable (Note 2)	-	1,546
Trade and other receivable	6,467	1,377
	\$ 84,997	\$ 135,808
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,920	\$ 7,113
Prepaid taxes	850	820
	3,770	7,933
MUNICIPAL EQUITY		
OPERATING FUND	73,282	78,511
RESERVES (Note 3 and Schedule 1)	7,945	49,364
	81,227	127,875
	\$ 84,997	\$ 135,808

APPROVED BY COUNCIL

 MAYOR

 COUNCILLOR



**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2007**

REVENUE	BUDGET	2007	2006
Net taxes available for municipal purposes (Schedule 2)	\$ 50,799	\$ 50,807	\$ 46,698
Provincial government transfers	39,842	72,613	21,998
Other revenues	4,150	30,829	4,256
Return on investments	2,800	3,736	3,483
Penalties and costs on taxes	100	708	845
	97,691	158,693	77,280
OPERATING EXPENDITURES			
Roads streets walks lighting	159,921	173,057	9,167
Administration	20,553	19,258	17,979
Fire and bylaws enforcement	2,925	7,164	1,303
Waste management	3,142	2,139	3,142
Council and legislative	3,650	1,887	3,688
Ambulance	2,500	1,836	1,971
	192,691	205,341	37,250
EXCESS OF REVENUES OVER EXPENDITURES	(95,000)	(46,648)	40,030
Net inter fund transfers			
Transfer (to) from reserves	30,000	(41,419)	(21,998)
INCREASE (DECREASE) IN FUND BALANCE	(65,000)	(5,229)	18,032
FUND BALANCE, BEGINNING OF YEAR	78,511	78,511	60,479
FUND BALANCE, END OF YEAR	\$ 13,511	\$ 73,282	\$ 78,511

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007**

	2007	2006
OPERATING		
Cash received from tax payers	\$ 78,830	\$ 53,040
Cash received from Provincial government transfers	72,613	21,998
Cash received from investments	3,736	3,483
Expenses paid	(209,534)	(31,230)
<hr/>		
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	(54,355)	47,291
NET CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	132,885	85,594
<hr/>		
NET CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 78,530	\$ 132,885
<hr/>		

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF RESERVES
YEAR ENDED DECEMBER 31, 2007**

	Schedule 1	
	2007	2006
Balance, beginning of year	\$ 49,364	\$ 27,366
Add:		
Transfer (to) from operating fund	(41,419)	-
Transfer from operating fund	-	21,998
	(41,419)	21,998
Balance, end of year	\$ 7,945	\$ 49,364

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF PROPERTY TAX LEVIED
YEAR ENDED DECEMBER 31, 2007**

Schedule 2

	BUDGET	2007	2006
TAXATION			
Real property taxes	\$ 88,473	\$ 88,073	\$ 83,474
Linear property taxes	1,295	1,695	888
	89,768	89,768	84,362
REQUISITION			
Alberta School Foundation Fund	38,069	38,069	36,608
Greater North Foundation	900	892	1,056
	38,969	38,961	37,664
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	\$ 50,799	\$ 50,807	\$ 46,698

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2007**

Schedule 3

	BUDGET	2007	2006
Provincial Transfers			
Shared - cost agreements and grants	\$ 39,842	\$ 72,613	\$ 21,998
TOTAL GOVERNMENT TRANSFERS	\$ 39,842	\$ 72,613	\$ 21,998

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF OPERATING EXPENDITURES BY OBJECT
YEAR ENDED DECEMBER 31, 2007**

Schedule 4

	BUDGET	2007	2006
EXPENDITURES			
Contracted and general services	\$ 185,408	\$ 201,932	\$ 33,495
Salaries wages and benefits	2,800	1,987	2,342
Materials goods supplies and utilities	4,258	1,422	1,413
Tax discounts and cancellations	225	-	-
TOTAL EXPENDITURES	\$ 192,691	\$ 205,341	\$ 37,250

SUMMER VILLAGE OF SOUTH BAPTISTE NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have prepared in accordance with accounting principles generally accepted for Alberta municipalities. Significant aspects of these accounting policies are as follows.

(a) Financial Statement Presentation

The combined financial statements consist of tax supported and self-supporting activities or entries whose operations and assets are under the control of the municipal council.

The schedule of taxes levied also includes operating requisitions for many educational, health care, social and other external organizations that are not controlled by the municipal council.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) Fund Accounting

For reporting purposes, established funds consist of the operating capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account.

The operating and capital funds are further segregated by functions which relate to specific areas of activity.

Gross recoveries represent internal operating charges between functions for the provision of goods or services are excluded from the financial statement.

(c) Accrual Basis of Accounting

The accrual basis of accounting is followed in the financial statements presentation.

(d) Government Transfers

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

(e) Taxes and Grants in lieu Receivables

Current taxes and grants in lieu receivables consist of current tax levies which remain outstanding at December 31. Tax arrears and grants in lieu receivables consist of taxes that remain outstanding after December 31 of the year in which they were imposed.

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007**

(f) Allowances for Operating

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.

(g) Reserves for Future Expenditures

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

(h) Adjustments to Accumulated Surplus

Council may authorize appropriations from accumulated surplus to fund current year operating expenditures. Such appropriations are recorded as an adjustment in the Statement of Changes in Fund Balances.

Adjustments related to operations of prior periods are recorded as an "adjustment to prior years" on the Statement of Accumulated Surplus.

(i) Excess Collections and Under-Levies

Excess collections and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the excess collection is accrued as a liability and shown as an "other" operating expenditure. In situations where the actual levy is less than the requisition amount, the under-levy accrued as an "other asset" and reflected as "other operating revenue".

Requisition tax rates in the subsequent year are adjusted for any excess collections or under levies of the prior year. amounts previously accrued for excess collections are included in "other" operating revenue while prior year accruals for under-levies are included in "other" operating expenditures.

(j) Financial instruments

It is management's opinion that the Summer Village is not exposed to significant interest, currency or credit.

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007**

2. TAXES RECEIVABLE

	2007	2006
Current:		
Current taxes	\$ -	\$ 1,546
Non-current:		
Tax arrears	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,546</u>

3. RESERVES

	<u>December 31, 2006</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2007</u>
Operating Reserves:				
Contingency Operating Reserve	\$ 24,762	\$ -	\$ 22,105	\$ 2,657
Centennial Grant Reserve	1,363	-	-	1,363
Sponsorship grant Reserve	1,000	-	-	1,000
New Deal for Communities Reserve	4,231	-	4,231	-
FireSmart Reserve	8,300	-	5,375	2,925
SIP Grant Reserve	<u>9,708</u>	<u>-</u>	<u>9,708</u>	<u>-</u>
	<u>\$ 49,364</u>	<u>\$ -</u>	<u>\$ 41,419</u>	<u>\$ 7,945</u>

4. 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>2007 Total</u>	<u>2006 Total</u>
Mayor:		
Tom Dolan	425	475
Councillors:		
Pat Moric	-	475
Ron Wasel	525	425
Chris Taylor	475	-
Village Administrator	12,480	12,196

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

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007**

5. DEBT LIMITS

Section 271 of the Municipal Government Act requires that debt and debt limits as defined by regulation for the Village will be disclosed as follows:

Total debt limit	\$ 238,040
Total debt	<u>-</u>
Amount total debt limit exceeded (under)	\$ <u>(238,040)</u>
Service on debt limit	\$ 39,673
Service on debt	<u>-</u>
Amount service on debt limit exceeded (under)	\$ <u>(39,673)</u>