
**SUMMER VILLAGE OF SOUTH BAPTISTE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMER VILLAGE OF SOUTH BAPTISTE

DECEMBER 31, 2009

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AUDITOR'S REPORT

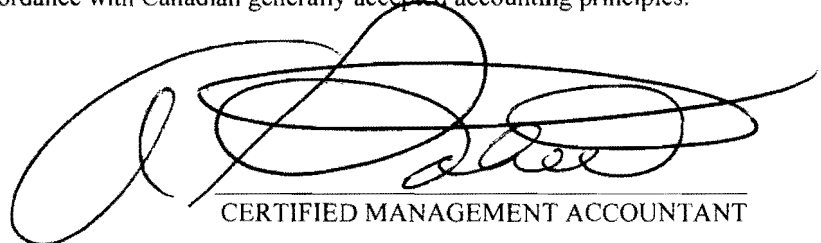
TO THE MEMBERS OF COUNCIL OF SUMMER VILLAGE OF SOUTH BAPTISTE

I have audited the Consolidated Statement of Financial Position of the Summer Village of South Baptiste as at December 31, 2009, and the consolidated Statement of Operations, the Consolidated Statement of Changes in Net Financial Assets and the Consolidated Statement of Cash Flow 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, 2009 and the results of operations, the change in its net financial assets and its cash flow for the year then ended, in accordance with Canadian generally accepted accounting principles.

EDMONTON, ALBERTA
June 22, 2010



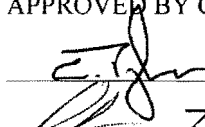
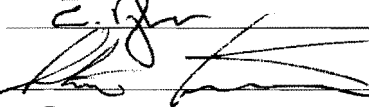

CERTIFIED MANAGEMENT ACCOUNTANT

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
FINANCIAL ASSETS		
Cash	\$ 202,045	\$ 101,657
Taxes receivable (Note 2)	397	-
Trade and other receivable	6,105	3,192
	<u>208,547</u>	<u>104,849</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,452	\$ 3,221
Prepaid taxes	900	900
	<u>3,352</u>	<u>4,121</u>
NET FINANCIAL ASSETS	<u>205,195</u>	<u>100,728</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	<u>861,810</u>	<u>861,810</u>
ACCUMULATED SURPLUS (Note 7)	<u>\$ 1,067,005</u>	<u>\$ 962,538</u>

APPROVED BY COUNCIL

RESTATED
NOTE 8

 _____ MAYOR
 _____ COUNCILLOR


**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
REVENUE			
Provincial government transfers for operating (Schedule 3)	\$ 45,174	\$ 114,419	\$ 34,146
Net taxes available for municipal purposes (Schedule 2)	57,979	57,797	54,452
Other revenues	14,005	5,034	7,553
Planning and development	100	300	-
Return on investments	1,150	221	2,558
Penalties and costs on taxes	250	-	-
	<hr/> 118,658	<hr/> 177,771	<hr/> 98,709
EXPENSES			
Roads streets walks lighting	62,919	45,995	49,180
Administration	22,069	21,807	22,769
Waste management	3,828	2,078	1,801
Fire and bylaws enforcement	26,542	1,542	1,523
Council and legislative	2,800	1,425	1,325
Ambulance	-	457	2,610
	<hr/> 118,158	<hr/> 73,304	<hr/> 79,208
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER	500	104,467	19,501
ACCUMULATED SURPLUS, BEGINNING OF YEAR	962,538	962,538	943,037
ACCUMULATED SURPLUS, END OF YEAR	<hr/> \$ 963,038	<hr/> \$ 1,067,005	<hr/> \$ 962,538

RESTATED
NOTE 8

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGET UNAUDITED</u>	<u>2009</u>	<u>2008</u>
EXCESS REVENUES OVER EXPENSES	\$ <u>500</u>	\$ <u>104,467</u>	\$ <u>19,501</u>
INCREASE IN NET ASSETS	500	104,467	19,501
NET FINANCIAL ASSETS, BEGINNING OF YEAR	100,728	100,728	81,227
<hr/>			
NET FINANCIAL ASSETS, END OF YEAR	\$ 101,228	\$ 205,195	\$ 100,728

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
OPERATING		
Cash received from tax payers	\$ 59,521	\$ 65,330
Cash received from Provincial government transfers	114,419	34,146
Cash received from investments	221	2,558
Expenses paid	(73,773)	(78,907)
<hr/>		
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	100,388	23,127
NET CASH AND EQUIVALENTS, BEGINNING OF YEAR	101,657	78,530
<hr/>		
NET CASH AND EQUIVALENTS, END OF YEAR	\$ 202,045	\$ 101,657
<hr/>		

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2009**

Schedule 1

	<u>LAND</u>	<u>ENGINEERED STRUCTURES</u>	<u>2009</u>	<u>2008</u>
COST:				
Balance, beginning of year	\$ 861,810	\$ 1,136,500	\$ 1,998,310	\$ 1,998,310
Balance, end of year	<u>861,810</u>	<u>1,136,500</u>	<u>1,998,310</u>	<u>1,998,310</u>
ACCUMULATED AMORTIZATION				
Balance, beginning of year	-	1,136,500	1,136,500	1,136,500
Balance, end of year	<u>-</u>	<u>1,136,500</u>	<u>1,136,500</u>	<u>1,136,500</u>
Net book value of Tangible capital assets	<u>861,810</u>	<u>-</u>	<u>861,810</u>	<u>861,810</u>
2008 Net book value of Tangible capital assets (Restated)	\$ <u>861,810</u>	\$ <u>-</u>	\$ <u>861,810</u>	\$ <u>861,810</u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF PROPERTY TAX LEVIED
 YEAR ENDED DECEMBER 31, 2009**

Schedule 2

	BUDGET	<u>2009</u>	<u>2008</u>
TAXATION			
Real property taxes	\$ 93,900	\$ 93,380	\$ 90,989
Linear property taxes	2,537	2,537	2,798
	96,437	95,917	93,787
REQUISITION			
Alberta School Foundation Fund	37,073	36,735	37,851
Greater North Foundation	1,385	1,385	1,484
	38,458	38,120	39,335
NET MUNICIPAL TAXES	\$ 57,979	\$ 57,797	\$ 54,452

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2009**

Schedule 3

	BUDGET	<u>2009</u>	<u>2008</u>
Provincial Transfers			
Shared - cost agreements and grants	\$ 45,174	\$ 114,419	\$ 34,146
TOTAL GOVERNMENT TRANSFERS	\$ 45,174	\$ 114,419	\$ 34,146

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
YEAR ENDED DECEMBER 31, 2009**

Schedule 4

	BUDGET	<u>2009</u>	<u>2008</u>
EXPENDITURES			
Contracted and general services	\$ 113,707	\$ 69,873	\$ 75,634
Materials goods supplies and utilities	2,651	1,536	2,047
Salaries wages and benefits	1,800	1,895	1,527
TOTAL EXPENDITURES	\$ 118,158	\$ 73,304	\$ 79,208

SUMMER VILLAGE OF SOUTH BAPTISTE NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009

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.

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

(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 the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Engineered structures	20 years
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One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(g) 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.

(h) 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.

(i) 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, 2009**

2. TAXES RECEIVABLE

	<u>2009</u>	<u>2008</u>
Current:		
Current taxes	\$ 397	\$ -
Non- current:		
Tax arrears	<u>-</u>	<u>-</u>
	<u>\$ 397</u>	<u>\$ -</u>

3. TANGIBLE CAPITAL ASSETS

	<u>Net 2009</u>	<u>Net 2008</u>
Land	\$ 861,810	\$ 861,810
Engineering structures	<u>-</u>	<u>-</u>
	<u>\$ 861,810</u>	<u>\$ 861,810</u>

RESTATED
NOTE 8

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>2009 Total</u>	<u>2008 Total</u>
Mayor:		
Chris Taylor	\$ 525	\$ 300
Tom Dolan	400	275
Councillors:		
Ron Wasel	500	400
Village Administrator	\$ 12,480	\$ 12,480

(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, 2009**

5. 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 will be disclosed as follows:

Total debt limit	\$ 266,657
Total debt	<u>-</u>
Amount total debt limit unused	<u>\$ 266,657</u>
Service on debt limit	\$ 44,443
Service on debt	<u>-</u>
Amount service on debt limit unused	<u>\$ 44,443</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 on 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.

6. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2009</u>	<u>2008</u>
Tangible capital assets (Schedule 1)	\$ 1,998,310	\$ 1,998,310
Accumulated amortization (Schedule 1)	<u>1,136,500</u>	<u>1,136,500</u>
	<u>\$ 861,810</u>	<u>\$ 861,810</u>
		RESTATED NOTE 8

7. ACCUMULATED SURPLUS

	<u>2009</u>	<u>2008</u>
Unrestricted surplus	\$ 177,270	\$ 82,783
Restricted surplus		
Fire Smart	27,925	17,945
Equity in tangible capital assets	<u>861,810</u>	<u>861,810</u>
	<u>\$ 1,067,005</u>	<u>\$ 962,538</u>
		RESTATED NOTE 8

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

8. PRIOR PERIOD ADJUSTMENTS

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 amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

	<u>2008</u>
Adjustments to opening accumulated surplus:	
As previously reported	\$ 81,227
Adjustments to net book value of tangible capital assets	<u>861,810</u>
As restated	<u>\$ 943,037</u>
	<u>2008</u>
Adjustments to excess of revenues over expenses:	
As previously reported	\$ 19,501
Tangible capital assets recorded but previously expensed	-
Annual amortization expense	<u>-</u>
As restated	<u>\$ 19,501</u>
	<u>2008</u>
Adjustments to tangible capital assets:	
As previously reported	\$ -
Adjustment to historical cost of tangible capital assets	1,998,310
Accumulated amortization recorded	<u>1,136,500</u>
As restated	<u>\$ 861,810</u>

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

9. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.