
**SUMMER VILLAGE OF SOUTH BAPTISTE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Al Scherbarth
Professional Corporation
CERTIFIED MANAGEMENT ACCOUNTANT

SUMMER VILLAGE OF SOUTH BAPTISTE

DECEMBER 31, 2010

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AUDITOR'S REPORT

TO THE MEMBERS OF COUNCIL OF SUMMER VILLAGE OF SOUTH BAPTISTE

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated statements of the Summer Village of South Baptiste, which comprise the statement of financial position as at December 31, 2010, 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.. My responsibility is to express an opinion on these financial statements based on my audit

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.

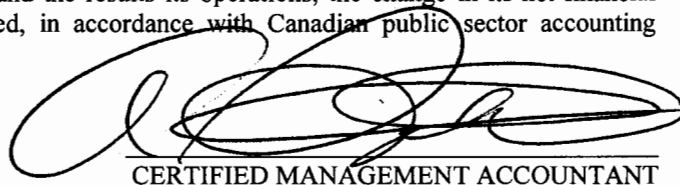
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements, 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 as at December 31, 2010 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 20, 2011




CERTIFIED MANAGEMENT ACCOUNTANT

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
FINANCIAL ASSETS		
Cash	\$ 175,184	\$ 202,045
Taxes receivable (Note 2)	3,446	397
Trade and other receivable	7,566	6,105
	<u>186,196</u>	<u>208,547</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,802	\$ 2,452
Prepaid taxes	-	900
	<u>1,802</u>	<u>3,352</u>
NET FINANCIAL ASSETS	<u>184,394</u>	<u>205,195</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	<u>861,810</u>	<u>861,810</u>
ACCUMULATED SURPLUS	<u>\$ 1,046,204</u>	<u>\$ 1,067,005</u>

APPROVED BY COUNCIL

 MAYOR

_____ COUNCILLOR



**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2010**

	<u>BUDGET</u>	<u>2010</u>	<u>2009</u>
REVENUE			
Net taxes available for municipal purposes (Schedule 3)	\$ 61,981	\$ 64,621	\$ 57,797
Other revenues	14,105	7,740	5,034
Penalties and costs on taxes	100	756	-
Provincial government transfers for operating (Schedule 4)	20,174	-	114,419
Planning and development	-	-	300
Return on investments	1,150	-	221
	<u>97,510</u>	<u>73,117</u>	<u>177,771</u>
EXPENSES			
Administration	33,055	58,020	21,807
Roads streets walks lighting	54,054	20,973	45,995
Waste management	4,929	10,006	2,078
Council and legislative	4,050	3,547	1,425
Fire and bylaws enforcement	1,372	1,372	1,542
Ambulance	-	-	457
Recreation and parks	50	-	-
	<u>97,510</u>	<u>93,918</u>	<u>73,304</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER	-	(20,801)	104,467
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,067,005	1,067,005	962,538
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,067,005</u>	<u>\$ 1,046,204</u>	<u>\$ 1,067,005</u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2010**

	<u>BUDGET</u> <u>UNAUDITED</u>	<u>2010</u>	<u>2009</u>
EXCESS REVENUES OVER EXPENSES	\$ <u>-</u>	\$ <u>(20,801)</u>	\$ <u>104,467</u>
INCREASE (DECREASE) IN NET ASSETS	-	(20,801)	104,467
NET FINANCIAL ASSETS, BEGINNING OF YEAR	205,195	205,195	100,728
NET FINANCIAL ASSETS, END OF YEAR	\$ 205,195	\$ 184,394	\$ 205,195

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
OPERATING		
Cash received from tax payers	\$ 109,080	\$ 97,641
Cash received from Provincial government transfers	-	114,419
Cash received from investments	-	221
Requisitions paid	(41,373)	(38,120)
Expenses paid	(94,568)	(73,773)
CHANGE IN CASH DURING YEAR	(26,861)	100,388
CASH, BEGINNING OF YEAR	202,045	101,657
CASH, END OF YEAR	\$ 175,184	\$ 202,045

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF CHANGES ACCUMULATED SURPLUS
 YEAR ENDED DECEMBER 31, 2010**

SCHEDULE 1

	<u>UNRESTRICTED SURPLUS</u>	<u>RESTRICTED SURPLUS</u>	<u>EQUITY IN TANGIBLE CAPITAL ASSETS</u>	<u>2010</u>	<u>2009</u>
BALANCE, BEGINNING OF YEAR	\$ 177,270	\$ 27,925	\$ 861,810	\$ 1,067,005	\$ 962,538
Excess (deficiency) of revenues over expenses	(20,801)	-	-	(20,801)	104,467
Change in accumulated surplus	(20,801)	-	-	(20,801)	104,467
BALANCE, END OF YEAR	156,469	27,925	861,810	1,046,204	1,067,005

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**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2010**

Schedule 2

	<u>LAND</u>	<u>ENGINEERED STRUCTURES</u>	<u>2010</u>	<u>2009</u>
COST:				
Balance, beginning of year	\$ <u>861,810</u>	\$ <u>-</u>	\$ <u>861,810</u>	\$ <u>1,998,310</u>
Balance, end of year	<u>861,810</u>	<u>-</u>	<u>861,810</u>	<u>1,998,310</u>
ACCUMULATED AMORTIZATION				
Balance, beginning of year	<u>-</u>	<u>1,136,500</u>	<u>-</u>	<u>1,136,500</u>
Balance, end of year	<u>-</u>	<u>-</u>	<u>-</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>(1,136,500)</u>	\$ <u>861,810</u>	\$ <u>861,810</u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF PROPERTY TAX LEVIED
 YEAR ENDED DECEMBER 31, 2010**

Schedule 3

	BUDGET	<u>2010</u>	<u>2009</u>
TAXATION			
Real property taxes	\$ 102,908	\$ 103,373	\$ 93,380
Linear property taxes	2,225	2,621	2,537
	105,133	105,994	95,917
REQUISITION			
Alberta School Foundation Fund	37,400	37,705	36,735
Greater North Foundation	5,752	3,668	1,385
	43,152	41,373	38,120
NET MUNICIPAL TAXES	\$ 61,981	\$ 64,621	\$ 57,797

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF GOVERNMENT TRANSFERS
 YEAR ENDED DECEMBER 31, 2010**

Schedule 4

	BUDGET	<u>2010</u>	<u>2009</u>
Provincial Transfers			
Shared - cost agreements and grants	\$ 20,174	\$ -	\$ 114,419
TOTAL GOVERNMENT TRANSFERS	\$ 20,174	\$ -	\$ 114,419

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
 YEAR ENDED DECEMBER 31, 2010**

Schedule 5

	BUDGET	<u>2010</u>	<u>2009</u>
EXPENDITURES			
Contracted and general services	\$ 94,110	\$ 90,576	\$ 69,873
Salaries wages and benefits	2,600	2,546	1,895
Materials goods supplies and utilities	800	796	1,536
TOTAL EXPENDITURES	\$ 97,510	\$ 93,918	\$ 73,304

**SUMMER VILLAGE OF SOUTH BAPTISTE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

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, 2010**

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, 2010**

2. TAXES RECEIVABLE

	<u>2010</u>	<u>2009</u>
Current:		
Current taxes	\$ 3,446	\$ 397
Non- current:		
Tax arrears	<u>-</u>	<u>-</u>
	<u>\$ 3,446</u>	<u>\$ 397</u>

3. TANGIBLE CAPITAL ASSETS

	<u>Net 2010</u>	<u>Net 2009</u>
Land	\$ 861,810	\$ 861,810
Engineering structures	<u>-</u>	<u>-</u>
	<u>\$ 861,810</u>	<u>\$ 861,810</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>2010 Total</u>	<u>2009 Total</u>
Mayor:		
Chris Taylor	\$ 484	\$ 525
Tom Dolan	400	400
Councillors:		
Ron Wasel	811	500
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, 2010**

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	\$ 109,676
Total debt	<u>-</u>
Amount total debt limit unused	<u>\$ 109,676</u>
Service on debt limit	\$ 18,279
Service on debt	<u>-</u>
Amount service on debt limit unused	<u>\$ 18,279</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>2010</u>	<u>2009</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>

7. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.