
**SUMMER VILLAGE OF SOUTH BAPTISTE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

SUMMER VILLAGE OF SOUTH BAPTISTE

DECEMBER 31, 2016

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INDEPENDENT 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, 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.. 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.

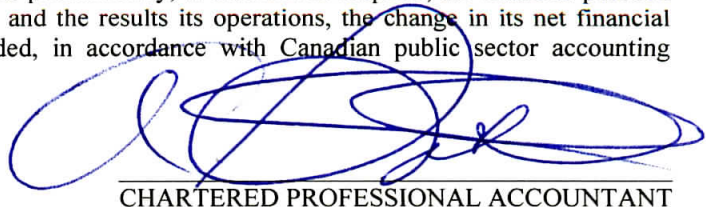
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 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 22, 2017



CHARTERED PROFESSIONAL ACCOUNTANT

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

	2016	2015
FINANCIAL ASSETS		
Cash and equivalents	\$ 343,115	\$ 313,411
Taxes receivable (Note 2)	21,710	9,669
Trade and other receivable	15,356	13,387
Other current assets	6,292	2,620
	<hr/> 386,473	<hr/> 339,087
LIABILITIES		
Accounts payable and accrued liabilities	6,070	10,849
Prepaid taxes	1,000	-
Deferred revenue	101,213	65,400
	<hr/> 108,283	<hr/> 76,249
NET FINANCIAL ASSETS	<hr/> 278,190	<hr/> 262,838
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	861,810	861,810
ACCUMULATED SURPLUS	<hr/> <hr/> \$ 1,140,000	<hr/> <hr/> \$ 1,124,648

APPROVED BY COUNCIL

 MAYOR

 COUNCILLOR

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016**

	<u>BUDGET</u>	<u>2016</u>	<u>2015</u>
REVENUE			
Net taxes available for municipal purposes (Schedule 3)	\$ 73,772	\$ 75,459	\$ 71,522
Provincial government transfers for operating (Schedule 4)	35,813	-	21,118
Other revenues	8,692	10,883	10,065
Penalties and costs on taxes	-	3,312	1,520
Return on investments	-	1,818	1,475
	<u>118,277</u>	<u>91,472</u>	<u>105,700</u>
EXPENSES			
Administration	76,507	43,690	36,607
Roads streets walks lighting	25,000	13,346	21,211
Waste management	12,162	11,733	11,583
Fire and bylaws enforcement	1,508	3,983	32,313
Council and legislative	3,100	3,368	900
	<u>118,277</u>	<u>76,120</u>	<u>102,614</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER	-	15,352	3,086
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,124,648	1,124,648	1,121,562
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,124,648</u>	<u>\$ 1,140,000</u>	<u>\$ 1,124,648</u>

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

	BUDGET UNAUDITED	2016	2015
EXCESS REVENUES OVER EXPENSES	\$ -	\$ 15,352	\$ 3,086
INCREASE IN NET ASSETS	-	15,352	3,086
NET FINANCIAL ASSETS, BEGINNING OF YEAR	262,838	262,838	259,752
NET FINANCIAL ASSETS, END OF YEAR	\$ 262,838	\$ 278,190	\$ 262,838

**SUMMER VILLAGE OF SOUTH BAPTISTE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
OPERATING		
Cash received from tax payers	\$ 129,814	\$ 120,188
Cash received from Provincial government transfers	35,823	5,445
Cash received from investments	1,597	1,500
Requisitions paid	(54,430)	(48,395)
Expenses paid	(83,100)	(105,114)
	<hr/> 29,704	<hr/> (26,376)
CHANGE IN CASH DURING YEAR	29,704	(26,376)
CASH, BEGINNING OF YEAR	<hr/> 313,411	<hr/> 339,787
CASH, END OF YEAR	<hr/> <hr/> \$ 343,115	<hr/> <hr/> \$ 313,411

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF CHANGES ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 1

	<u>UNRESTRICTED SURPLUS</u>	<u>RESTRICTED SURPLUS</u>	<u>EQUITY IN TANGIBLE CAPITAL ASSETS</u>	<u>2016</u>	<u>2015</u>
BALANCE, BEGINNING OF YEAR	\$ 176,338	\$ 86,500	\$ 861,810	\$ 1,124,648	\$ 1,121,562
Excess of revenues over expenses	15,352	-	-	15,352	3,086
BALANCE, END OF YEAR	\$ 191,690	\$ 86,500	\$ 861,810	\$ 1,140,000	\$ 1,124,648

**SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2016**

Schedule 2

	<u>LAND</u>	<u>ENGINEERED STRUCTURES</u>	<u>2016</u>	<u>2015</u>
COST:				
Balance, beginning of year	\$ <u>861,810</u>	\$ <u>1,136,500</u>	\$ <u>1,998,310</u>	\$ <u>1,998,310</u>
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	<u>-</u>	<u>1,136,500</u>	<u>1,136,500</u>	<u>1,136,500</u>
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><u>861,810</u></u>	\$ <u><u>-</u></u>	\$ <u><u>861,810</u></u>	\$ <u><u>861,810</u></u>

**SUMMER VILLAGE OF SOUTH BAPTISTE
 SCHEDULE OF PROPERTY TAX LEVIED
 YEAR ENDED DECEMBER 31, 2016**

Schedule 3

	BUDGET	<u>2016</u>	<u>2015</u>
TAXATION			
Real property taxes	\$ 121,150	\$ 127,441	\$ 117,438
Linear property taxes	2,448	2,448	2,479
	123,598	129,889	119,917
REQUISITION			
Alberta School Foundation Fund	45,000	48,063	44,014
Greater North Foundation	4,826	6,367	4,381
	49,826	54,430	48,395
NET MUNICIPAL TAXES	\$ 73,772	\$ 75,459	\$ 71,522

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SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2016

CHARTERED PROFESSIONAL ACCOUNTANT

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 10123 - 99 Street
 Edmonton, Alberta
 T5J 3H1
 Schedule 4
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	BUDGET	2016	
Federal Transfers			
Shared - cost agreements and grants	\$ 23,355	\$ -	\$ -
Provincial Transfers			
Shared - cost agreements and grants	\$ 12,468	\$ -	\$ 21,118
TOTAL GOVERNMENT TRANSFERS	\$ 35,823	\$ -	\$ 21,118

SUMMER VILLAGE OF SOUTH BAPTISTE
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
YEAR ENDED DECEMBER 31, 2016

Schedule 5

	BUDGET	2016	2015
EXPENDITURES			
Contracted and general services	\$ 112,777	\$ 70,763	\$ 100,425
Materials goods supplies and utilities	2,000	1,989	1,289
Salaries wages and benefits	3,500	3,368	900
TOTAL EXPENDITURES	\$ 118,277	\$ 76,120	\$ 102,614

SUMMER VILLAGE OF SOUTH BAPTISTE NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Summer Village of South Baptiste are representations 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 of Canada. 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, 2016**

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, 2016**

2. TAXES RECEIVABLE

	<u>2016</u>	<u>2015</u>
Current:		
Current taxes	\$ 11,569	\$ 9,669
Non- current:		
Tax arrears	<u>10,141</u>	<u>-</u>
	<u>\$ 21,710</u>	<u>\$ 9,669</u>

3. TANGIBLE CAPITAL ASSETS

	<u>Net 2016</u>	<u>Net 2015</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>2016 Total</u>	<u>2015 Total</u>
Mayor:		
Mike Isaac	\$ 1,993	\$ 300
Steve Hamilton	-	300
Councillors:		
Brad Padlewski	1,375	300
Village Administrator	\$ 22,680	\$ 22,680

(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, 2016**

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	\$ 137,208
Total debt	<u>-</u>
Amount total debt limit unused	<u>\$ 137,208</u>
Service on debt limit	\$ 22,868
Service on debt	<u>-</u>
Amount service on debt limit unused	<u>\$ 22,868</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>2016</u>	<u>2015</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.