



Gitzel Krejci Dand Peterson

CHARTERED ACCOUNTANTS

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SUMMER VILLAGE OF ROCHON SANDS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

SUMMER VILLAGE OF ROCHON SANDS

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2008

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AUDITORS' REPORT

TO: The Mayor and Council

Summer Village of Rochon Sands

We have audited the consolidated statement financial position of Summer Village of Rochon Sands as at December 31, 2008 and the consolidated statements of financial activities and changes in cash resources for the year then ended. These financial statements are the responsibility of municipal administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 administration, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2008 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 1.

Stettler, Alberta
March 19, 2009



CHARTERED ACCOUNTANTS

SUMMER VILLAGE OF ROCHON SANDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008

ASSETS

	2008	2007
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	160,206	291,927
Taxes receivable (Note 3)	4,783	4,174
Trade and other receivables	17,078	15,183
Land inventory held for resale	-	4,520
Long-term investments (Note 4)	<u>10</u>	<u>10</u>
	182,077	315,814
PHYSICAL ASSETS (Note 5)		
Property and equipment	<u>782,682</u>	<u>614,720</u>
	<u><u>964,759</u></u>	<u><u>930,534</u></u>

LIABILITIES

Accounts payable and accrued liabilities	11,130	4,307
Deferred revenue	<u>-</u>	<u>17,007</u>
	<u>11,130</u>	<u>21,314</u>

MUNICIPAL EQUITY

CAPITAL FUND (Schedule 1)	(28,586)	-
OPERATING FUND (Schedule 2)	142,715	153,898
RESERVES (Schedule 3)	<u>56,818</u>	<u>140,602</u>
	170,947	294,500
EQUITY IN PROPERTY AND EQUIPMENT (Schedule 4, Note 5)	<u>782,682</u>	<u>614,720</u>
	<u>953,629</u>	<u>909,220</u>
	<u><u>964,759</u></u>	<u><u>930,534</u></u>

SUMMER VILLAGE OF ROCHON SANDS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	\$	\$
REVENUES		
Net municipal property taxes (Schedule 5)	114,350	80,668
User fees and sales of goods	4,928	3,378
Government transfers (Schedule 6)	88,145	158,398
Investment income	5,955	8,853
Penalties and costs on taxes	1,124	979
Rentals	5,149	5,545
Other	<u>73,081</u>	<u>3,529</u>
	<u>292,732</u>	<u>261,350</u>
EXPENDITURES (Schedule 7)		
OPERATING		
Legislative	2,213	2,465
Administration	57,432	68,879
Fire and Bylaw enforcement	10,726	7,115
Ambulance	3,823	4,066
Roads, streets, walks, lighting	60,421	32,600
Water and wastewater	4,135	-
Waste management	2,970	2,968
Subdivision land development	54,643	13,819
Recreation, parks and culture	<u>19,761</u>	<u>10,651</u>
Total operating expenditures	<u>216,124</u>	<u>142,563</u>
CAPITAL		
Administration	3,051	-
Roads, streets, walks, lighting	56,407	-
Recreation, parks and culture	<u>140,703</u>	<u>146,692</u>
Total capital expenditures	<u>200,161</u>	<u>146,692</u>
Total operating and capital expenditures	<u>416,285</u>	<u>289,255</u>
NET COMPREHENSIVE EARNINGS	(123,553)	(27,905)
FUND BALANCE - BEGINNING OF YEAR	<u>294,500</u>	<u>322,405</u>
FUND BALANCE - END OF YEAR	<u>170,947</u>	<u>294,500</u>

SUMMER VILLAGE OF ROCHON SANDS
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(123,553)	(27,905)
Net changes in non-cash assets and liabilities		
Taxes and grants in place of taxes receivables	(609)	(2,342)
Trade and other receivables	(1,895)	(5,158)
Prepaid expenses	-	30,065
Land held for resale	4,520	-
Deferred revenue	(17,007)	17,007
Accounts payable and accrued liabilities	<u>6,823</u>	<u>(3,387)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(131,721)	8,280
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>291,927</u>	<u>283,647</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>160,206</u>	<u>291,927</u>

SUMMER VILLAGE OF ROCHON SANDS
SCHEDULE 1 – CAPITAL FUND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	2008	2007
	\$	\$	\$
REVENUES			
Government transfers	-	-	-
Proceeds from disposal of capital assets	-	40,607	-
Other local boards	-	28,333	-
	<u>-</u>	<u>68,940</u>	<u>-</u>
EXPENDITURES			
Administration	-	3,051	-
Roads, streets, walks, lighting	10,000	56,407	-
Recreation and culture	-	140,703	146,692
	<u>10,000</u>	<u>200,161</u>	<u>146,692</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,000)</u>	<u>(131,221)</u>	<u>(146,692)</u>
Net Interfund Transfers			
From (to) operating fund (Schedule 2)	10,000	18,851	150,000
From (to) reserves fund (Schedule 3)	-	83,784	1,216
	<u>10,000</u>	<u>102,635</u>	<u>151,216</u>
CHANGE IN FUND BALANCE	-	(28,586)	4,524
OPENING BALANCE	<u>-</u>	<u>-</u>	<u>(4,524)</u>
CLOSING BALANCE	<u>-</u>	<u>(28,586)</u>	<u>-</u>

SUMMER VILLAGE OF ROCHON SANDS
SCHEDULE 2 – OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	2008	2007
	\$	\$	\$
REVENUES			
Net municipal property taxes (Schedule 5)	112,348	114,350	80,668
Sales of goods and user fees	6,001	4,928	3,378
Penalties and costs on taxes	750	1,124	979
Returns on investments	7,000	5,955	8,853
Rentals	7,100	5,149	5,545
Government transfers	40,000	88,145	158,398
Other revenues	4,650	4,141	3,529
	<u>177,849</u>	<u>223,792</u>	<u>261,350</u>
EXPENDITURES			
Legislative	2,450	2,213	2,465
Administration	53,878	57,432	68,879
Fire and bylaw enforcement	11,600	10,726	7,115
Ambulance	3,823	3,823	4,066
Roads, streets, walks, lighting	46,738	60,421	32,600
Water and wastewater	4,200	4,135	-
Waste management and environmental	3,000	2,970	2,968
Subdivision land development	35,500	54,643	13,819
Recreation and parks	6,660	19,761	10,651
	<u>167,849</u>	<u>216,124</u>	<u>142,563</u>
NET COMPREHENSIVE EARNINGS	10,000	7,668	118,787
Transferred from (to) reserve fund (Schedule 3)	-	-	-
Transferred (to) capital fund (Schedule 1)	<u>(10,000)</u>	<u>(18,851)</u>	<u>150,000</u>
CHANGES IN FUND BALANCE	-	(11,183)	(31,213)
OPENING BALANCE	<u>153,898</u>	<u>153,898</u>	<u>185,111</u>
CLOSING BALANCE	<u><u>153,898</u></u>	<u><u>142,715</u></u>	<u><u>153,898</u></u>

SUMMER VILLAGE OF ROCHON SANDS

SCHEDULE 3 – RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget \$	2008 \$	2007 \$
BALANCE AT BEGINNING OF YEAR	<u>140,602</u>	<u>140,602</u>	<u>141,818</u>
ADD (DEDUCT):			
Transfer from (to) operating fund (Schedule 2)	-	-	-
Transfer from (to) capital fund (Schedule 1)	<u>-</u>	<u>(83,784)</u>	<u>(1,216)</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>(83,784)</u>	<u>(1,216)</u>
BALANCE AT END OF YEAR (Note 6)	<u>140,602</u>	<u>56,818</u>	<u>140,602</u>

SCHEDULE 4 – EQUITY IN PROPERTY AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 \$	2007 \$
ACQUISITION OF PROPERTY AND EQUIPMENT		
Administration	3,051	-
Roads, streets, walks, lighting	56,407	-
Recreation, parks and culture	<u>140,703</u>	<u>146,692</u>
	200,161	146,692
DISPOSAL OF PROPERTY AND EQUIPMENT (Cost)		
Roads, streets, walks, lighting	<u>32,199</u>	<u>-</u>
CHANGE IN EQUITY BALANCE	167,962	146,692
OPENING BALANCE	<u>614,720</u>	<u>468,028</u>
CLOSING BALANCE	<u>782,682</u>	<u>614,720</u>

SUMMER VILLAGE OF ROCHON SANDS

SCHEDULE 5 – TAXES LEVIED

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	2008	2007
	\$	\$	\$
TAXATION			
Real property taxes	222,526	221,378	184,308
Linear property taxes	<u>9,173</u>	<u>3,150</u>	<u>3,030</u>
	<u>231,699</u>	<u>224,528</u>	<u>187,338</u>
REQUISITIONS			
Alberta School Foundation Fund	101,005	101,005	98,059
County of Stettler Foundation Seniors' Foundation	<u>9,173</u>	<u>9,173</u>	<u>8,611</u>
	<u>110,178</u>	<u>110,178</u>	<u>106,670</u>
NET MUNICIPAL PROPERTY TAXES	<u>121,521</u>	<u>114,350</u>	<u>80,668</u>

SCHEDULE 6 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	\$	\$
Provincial Transfers		
Shared-cost agreements and grants	<u>88,145</u>	<u>158,398</u>
Total Government Transfers	<u>88,145</u>	<u>158,398</u>

SUMMER VILLAGE OF ROCHON SANDS

SCHEDULE 7 – CONSOLIDATED EXPENDITURES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	2008	2007
	\$	\$	\$
EXPENDITURES			
Salaries, wages, and benefits	56,256	54,723	48,432
Contracted and general services	88,467	136,387	70,829
Materials, goods, supplies and utilities	16,538	17,579	16,579
Bank charges and short-term interest	105	192	324
Property and equipment acquired	10,000	200,161	146,692
Other expenditures	<u>6,483</u>	<u>7,243</u>	<u>6,399</u>
TOTAL EXPENDITURES	<u>177,849</u>	<u>416,285</u>	<u>289,255</u>

SUMMER VILLAGE OF ROCHON SANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted as follows:

a. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the municipality.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

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.

c. Basis of Accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

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 ROCHON SANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Taxes Receivable

Current taxes receivable consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

f. Investments

Investments are recorded at cost. Where there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

g. Land inventory for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges.

h. Property and Equipment

Property and equipment are recognized as expenditures in the period they are acquired. Further, property and equipment are carried on the statement of financial position at cost except for donated assets, which are recorded at estimated fair value when acquired.

Development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are expensed and carried as capital assets under their respective function.

Government contributions for the acquisition of property and equipment are recorded as capital revenue and do not reduce the related property and equipment costs.

Property and equipment for government purposes are not amortized.

i. Operating Fund

Operating fund represents the amounts available to offset future operational revenue requirements (or the shortfall which will be financed from future operational revenues.)

j. Capital Fund

Capital fund represents the amounts available to finance (or the shortfall in financing available for) capital projects.

SUMMER VILLAGE OF ROCHON SANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

k. Reserve Fund

Reserve fund represents the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of council. Transfers to and/or from the reserve fund are reflected as an adjustment to the respective fund.

l. Equity in Property and Equipment

Equity in property and equipment represents the Summer Village of Rochon Sands net investment in its total property and equipment, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities.

m. Over-levies and Under-levies

Over-levies 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 over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property taxes.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

2. CASH AND TEMPORARY INVESTMENTS

	2008	2007
	\$	\$
Cash	12,698	43,925
Temporary investments	<u>147,508</u>	<u>248,002</u>
	<u>160,206</u>	<u>291,927</u>

Included in the above balances are \$58,818 (2007 - \$140,602), which are internally designated for reserves.

3. TAXES RECEIVABLE

	2008	2007
	\$	\$
Current and arrears	<u>4,783</u>	<u>4,174</u>

SUMMER VILLAGE OF ROCHON SANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

4. LONG-TERM INVESTMENTS

	2008	2007
	\$	\$
A.M.F.C. shares, at cost	<u>10</u>	<u>10</u>

5. PROPERTY AND EQUIPMENT

	2008	2007
	Cost	Cost
	\$	\$
Land	25,442	25,442
Buildings	158,194	158,194
Engineering structures	452,443	311,740
Machinery, equipment, furnishings and vehicle	<u>146,603</u>	<u>119,344</u>
	<u>782,682</u>	<u>614,720</u>

6. RESERVES

Reserves for operating and capital activities changed as follows:

	2007	Increases	Decreases	2008
	\$	\$	\$	\$
Capital reserves:				
Equipment	35,802	-	-	35,802
Sewer	21,016	-	-	21,016
Parks	<u>83,784</u>	-	<u>83,784</u>	-
	<u>140,602</u>	<u>-</u>	<u>83,784</u>	<u>56,818</u>

SUMMER VILLAGE OF ROCHON SANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

7. SALARY & BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	-----2008			2007
	Salary(1)	Benefits Allowances(2&3)	Total	Total
	\$	\$	\$	\$
Wayne Miller, Mayor	700	-	700	700
Shane Menard, Councillor	700	-	700	700
James Cook, Councillor	700	-	700	700
Alan Willis, Secretary-Treasurer	26,534	2,212	28,746	27,930

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
- (3) Benefits and allowances figures also include the Employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

8. 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 municipality be disclosed as follows:

	2008	2007
	\$	\$
Total debt limit	439,098	392,025
Total debt	-----	-----
Amount total debt limit available	<u>439,098</u>	<u>392,025</u>
Service on debt limit	73,183	65,337
Service on debt	-----	-----
Amount service on debt limit available	<u>73,183</u>	<u>65,337</u>

SUMMER VILLAGE OF ROCHON SANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

9. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, receivables, accounts payable and accrued liabilities. It is management's opinion that the village is not exposed to significant interest, currency or credit risk arising from these financial statements. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

10. CAPITAL PROJECTS

Improvements to the golf course and marina will continue in 2009. Funding from the Hall and Recreation Board, Marina Board and Golf Course Committee will be received to assist with these costs.

11. APPROVAL OF FINANCIAL STATEMENTS

Council and management approved these financial statements.