

**SUMMER VILLAGE OF CASTLE ISLAND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**FOR THE YEAR ENDED DECEMBER 31, 2024**

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# SUMMER VILLAGE OF CASTLE ISLAND

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of The Summer Village of Castle Island is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Summer Village's financial position as at December 31, 2024 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimated and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material aspects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Summer Village Council carries out its responsibilities for review of the financial statements principally through its regular meetings of Council. Council meets regularly with management and with external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Summer Village Council has approved the financial statements.

The financial statements have been audited by Doyle & Company, Chartered Professional Accountants, independent external auditors appointed by the Summer Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Summer Village's financial statements.



**Chief Administrative Officer**

April 28, 2025

Edward Cheung, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*  
\*Operates as a Professional Corporation

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council of The Summer Village of Castle Island**

#### **Opinion**

We have audited the Financial Statements of the **The Summer Village of Castle Island**, which comprise

- the statement of financial position as at December 31, 2024;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the **The Summer Village of Castle Island** as at December 31, 2024, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Summer Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Summer Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Summer Village's financial reporting process

#### **Auditor's Responsibility for the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

## INDEPENDENT AUDITOR'S REPORT - continued

- Obtain an understanding of internal control relevant to the audit 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 Summer Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Summer Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

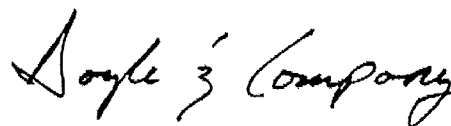
#### Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Summer Village's debt limit can be found in Note 11.

#### Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 12.

Edmonton, Alberta  
April 28, 2025



Chartered Professional Accountants

# SUMMER VILLAGE OF CASTLE ISLAND

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

|   | 2024<br>\$ | 2023<br>\$ |
|---|------------|------------|
| <b>FINANCIAL ASSETS</b>                     |            |            |
| Cash and cash equivalents (Note 2)          | 53,808     | 180,501    |
| Accounts receivable:                        |            |            |
| Receivables from other governments (Note 3) | 124,444    | 232,754    |
| Trade and other receivables (Note 4)        | 29,316     | 29,520     |
|   | 207,568    | 442,775    |
| <b>LIABILITIES</b>                          |            |            |
| Temporary bank indebtedness                 | -          | 2,090      |
| Accounts payable and accrued liabilities    | 66,453     | 145        |
| Deposit liabilities                         | 9,929      | 130        |
| Deferred revenue (Note 7)                   | 32,626     | 300,074    |
|   | 109,008    | 302,439    |
| <b>NET FINANCIAL ASSETS</b>                 | 98,560     | 140,336    |
| <b>NON-FINANCIAL ASSETS</b>                 |            |            |
| Tangible capital assets (Note 8)            | 943,827    | 637,199    |
| <b>ACCUMULATED SURPLUS (NOTE 10)</b>        | 1,042,387  | 777,535    |

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF CASTLE ISLAND

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

|  | 2024<br>Budget<br>(Unaudited)<br>\$ | 2024<br>Actual<br>\$ | 2023<br>Actual<br>\$ |
|--|-------------------------------------|----------------------|----------------------|
| <b>REVENUE</b>   |                                     |                      |                      |
| Net municipal property taxes (Schedule 3)                    | 65,566                              | 65,566               | 59,993               |
| Annual community levies                                      | 7,505                               | 7,505                | 7,322                |
| Interest and penalties - property taxes                      | 50                                  | 605                  | 43                   |
| Revenue - own sources  | 9,100                               | 5,951                | 2,941                |
| Government transfers for operating (Schedule 4)              | 5,454                               | 5,454                | 5,454                |
| FCSS grant   | 998                                 | 998                  | 987                  |
| CCBF Grant   | -                                   | -                    | 5,247                |
| <b>TOTAL REVENUE</b>   | <b>88,673</b>                       | <b>86,079</b>        | <b>81,987</b>        |
| <b>EXPENDITURES</b>  |                                     |                      |                      |
| Administration   | 39,876                              | 42,859               | 52,806               |
| FCSS   | -                                   | 1,247                | 1,234                |
| Fire agreement   | 3,120                               | 4,660                | 2,978                |
| Lagoon   | -                                   | 3,455                | 3,245                |
| Legislative  | 300                                 | 359                  | 536                  |
| Parks and recreation   | 123,472                             | 35,294               | 39,228               |
| Policing cost  | 1,829                               | 1,794                | 1,294                |
| Roads, streets, walks, and lighting                          | 100,000                             | 37,094               | 34,814               |
| Waste management   | -                                   | 5,292                | 4,872                |
| Water  | 76                                  | 77                   | 5,366                |
| <b>TOTAL EXPENDITURES</b>                                    | <b>268,673</b>                      | <b>132,131</b>       | <b>146,373</b>       |
| <b>EXCESS OF REVENUE OVER EXPENDITURES<br/>BEFORE OTHER</b>  | <b>(180,000)</b>                    | <b>(46,052)</b>      | <b>(64,386)</b>      |
| <b>OTHER</b>   |                                     |                      |                      |
| Government transfer for capital (Schedule 4)                 | 180,000                             | 310,904              | 243,784              |
| <b>EXCESS OF REVENUES OVER EXPENDITURES<br/>FOR THE YEAR</b> | <b>-</b>                            | <b>264,852</b>       | <b>179,398</b>       |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>                | <b>-</b>                            | <b>777,535</b>       | <b>598,137</b>       |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>                      | <b>-</b>                            | <b>1,042,387</b>     | <b>777,535</b>       |

The accompanying notes form part of these financial statements.

**SUMMER VILLAGE OF CASTLE ISLAND**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | 2024<br>Budget<br>(Unaudited)<br>\$ | 2024<br>Actual<br>\$ | 2023<br>Actual<br>\$ |
|---|-------------------------------------|----------------------|----------------------|
| <b>EXCESS (SHORTFALL) OF REVENUES<br/>OVER EXPENDITURES</b> | -                                   | 264,852              | 179,398              |
| Acquisition of tangible capital assets                      | -                                   | (335,190)            | (239,074)            |
| Amortization of tangible capital assets                     | -                                   | 28,562               | 28,483               |
|   | -                                   | (306,628)            | (210,591)            |
| <b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>          | -                                   | (41,776)             | (31,193)             |
| <b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>              | -                                   | 140,336              | 171,529              |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>                    | -                                   | 98,560               | 140,336              |

The accompanying notes form part of these financial statements.



# SUMMER VILLAGE OF CASTLE ISLAND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

|  | 2024<br>\$       | 2023<br>\$      |
|--|------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                  |                 |
| Cash received from customers and government agencies         | 319,037          | 513,684         |
| Cash paid to suppliers and contractors                       | (108,461)        | (322,827)       |
|  | <b>210,576</b>   | <b>190,857</b>  |
| <b>CASH OUTFLOWS FOR CAPITAL</b>                             |                  |                 |
| Additions to capital assets                                  | (335,190)        | (239,071)       |
| <b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b> | <b>(124,614)</b> | <b>(48,214)</b> |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>         | <b>168,251</b>   | <b>216,465</b>  |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>               | <b>43,637</b>    | <b>168,251</b>  |
| <b>Cash and cash equivalents is made up of:</b>              |                  |                 |
| Cash and cash equivalents (Note 2)                           | 53,808           | 180,501         |
| Less: restricted portion of cash and cash equivalents        | (10,151)         | (10,160)        |
| Temporary bank indebtedness                                  | -                | (2,090)         |
|  | <b>43,657</b>    | <b>168,251</b>  |

The accompanying notes form part of these financial statements.

**SUMMER VILLAGE OF CASTLE ISLAND**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SCHEDULE 1**

|  | Unrestricted<br>Surplus | Restricted<br>Surplus | Equity in Tangible<br>Capital Assets | 2024<br>\$ | 2023<br>\$ |
|--|-------------------------|-----------------------|--------------------------------------|------------|------------|
| <b>Balance, Beginning of Year</b>                    | 94,676                  | 45,660                | 637,199                              | 777,535    | 598,137    |
| Excess (deficiency) of revenue over expenses         | 264,852                 | -                     | -                                    | 264,852    | 179,398    |
| Current years funds used for tangible capital assets | (335,190)               | -                     | 335,190                              | -          | -          |
| Annual amortization expenses                         | 28,562                  | -                     | (28,562)                             | -          | -          |
| Change in accumulated surplus                        | (41,776)                | -                     | 306,628                              | 264,852    | 179,398    |
| <b>Balance, End of Year</b>                          | 52,900                  | 45,660                | 943,827                              | 1,042,387  | 777,535    |

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF CASTLE ISLAND

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 2

|  | Land           | Engineered<br>Structures | Machinery and<br>Equipment | Building | 2024           | 2023           |
|--|----------------|--------------------------|----------------------------|----------|----------------|----------------|
|  |                |                          |                            |          | \$             | \$             |
| <b>COST:</b>                           |                |                          |                            |          |                |                |
| Balance, Beginning of Year             | 51,475         | 486,478                  | 414,551                    | 6,089    | 958,593        | 719,519        |
| Acquisition of tangible capital assets | 97,102         | 115,590                  | 122,498                    | -        | 335,190        | 239,074        |
| Balance, End of Year                   | 148,577        | 602,068                  | 537,049                    | 6,089    | 1,293,783      | 958,593        |
| <b>ACCUMULATED AMORTIZATION:</b>       |                |                          |                            |          |                |                |
| Balance, Beginning of Year             | -              | 218,698                  | 96,607                     | 6,089    | 321,394        | 292,911        |
| Annual amortization                    | -              | 23,210                   | 5,352                      | -        | 28,562         | 28,483         |
| Balance, End of Year                   | -              | 241,908                  | 101,959                    | 6,089    | 349,956        | 321,394        |
| <b>NET BOOK VALUE</b>                  | <b>148,577</b> | <b>360,160</b>           | <b>435,090</b>             | <b>-</b> | <b>943,827</b> | <b>637,199</b> |

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF CASTLE ISLAND

## SCHEDULE OF PROPERTY TAXES

FOR THE YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 3

|   | 2024<br>Budget<br>(Unaudited)<br>\$ | 2024<br>Actual<br>\$ | 2023<br>Actual<br>\$ |
|---|-------------------------------------|----------------------|----------------------|
| <b>TAXATION</b>                                       |                                     |                      |                      |
| Real property taxes                                   | 104,557                             | 104,557              | 98,298               |
| Linear property taxes                                 | 149                                 | 149                  | 134                  |
| <b>TOTAL TAXATION</b>                                 | <b>104,706</b>                      | <b>104,706</b>       | <b>98,432</b>        |
| <b>REQUISITIONS</b>                                   |                                     |                      |                      |
| Alberta School Foundation Fund                        | 35,641                              | 35,641               | 35,444               |
| Lac Ste. Anne Foundation Fund                         | 3,499                               | 3,499                | 2,995                |
| <b>TOTAL REQUISITIONS</b>                             | <b>39,140</b>                       | <b>39,140</b>        | <b>38,439</b>        |
| <b>NET TAXES AVAILABLE FOR MUNICIPAL<br/>PURPOSES</b> | <b>65,566</b>                       | <b>65,566</b>        | <b>59,993</b>        |

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF CASTLE ISLAND

## SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 4

|                                   | 2024<br>Budget<br>(Unaudited)<br>\$ | 2024<br>Actual<br>\$ | 2023<br>Actual<br>\$ |
|-----------------------------------|-------------------------------------|----------------------|----------------------|
| <b>TRANSFERS FOR OPERATING</b>    |                                     |                      |                      |
| Provincial Government             | 5,454                               | 5,454                | 5,454                |
| <b>TRANSFERS FOR CAPITAL</b>      |                                     |                      |                      |
| Provincial Government             | 180,000                             | 310,904              | 243,784              |
| <b>TOTAL GOVERNMENT TRANSFERS</b> | <b>185,454</b>                      | <b>316,358</b>       | <b>249,238</b>       |

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF CASTLE ISLAND

## SCHEDULE OF EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 5

|   | 2024<br>Budget<br>(Unaudited)<br>\$ | 2024<br>Actual<br>\$ | 2023<br>\$     |
|---|-------------------------------------|----------------------|----------------|
| <b>EXPENSES</b>                           |                                     |                      |                |
| Contracted and general services           | 263,723                             | 101,756              | 116,278        |
| Materials, goods, supplies, and utilities | 4,950                               | 1,813                | 1,612          |
| Amortization of tangible capital assets   | -                                   | 28,562               | 28,483         |
| <b>TOTAL EXPENSES</b>                     | <b>268,673</b>                      | <b>132,131</b>       | <b>146,373</b> |

The accompanying notes form part of these financial statements.

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of The Summer Village of Castle Island have been prepared in accordance with Canadian public sector standards for municipal governments as recommended by the Chartered Professional Accountants of Canada. Significant aspects of these accounting principles are as follows:

#### (a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and 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 schedule of taxes levied also includes requisitions for education, 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) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, service performed or the tangible capital assets are acquired.

#### (c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

#### (d) Cash and Cash Equivalents

Cash and cash equivalents consists of bank deposits and savings accounts with a term of three months or less.

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### (e) Valuation of Financial Assets and Liabilities

The Summer Village's financial assets and liabilities are measured as follows:

| <u>Financial Statement Component</u>          | <u>Measurement</u>                     |
|---|--|
| Cash  | Cost and amortized cost                |
| Short-term investments                        | Amortized cost                         |
| Trade and other receivables                   | Lower of cost or net recoverable value |
| Investments                                   | Fair value and amortized cost          |
| Loans receivable and debt changes recoverable | Amortized cost                         |
| Accounts payable and accrued liabilities      | Cost                                   |
| Deposit liabilities                           | Cost                                   |
| Bank indebtedness and long-term debt          | Amortized cost                         |

#### (f) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the Summer Village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

#### (g) Fund Accounting

The Summer Village's funds consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Proceeds from sale of land are recorded as revenue in the operating fund.

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

#### (h) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.



# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### (i) Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Summer Village to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Summer Village reviews the carrying amount of the liability. The Summer Village recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Summer Village continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### (j) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when the Summer Village is either directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operation, maintenance, and monitoring.

#### (k) 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 Change in Net Financial Assets (Debt) for the year.

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### (l) Investments

Investments are recorded at market value.

#### (m) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

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

##### i) Amortization

|                         | Years   |
|-------------------------|---------|
| Roads (Surface)         | 10 - 30 |
| Machinery and equipment | 15 - 30 |
| Buildings               | 10      |

Amortization was charged at a rate of 50% in the year of acquisition. No amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

##### ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

##### iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental of ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### (o) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax 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 tax revenue.

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

#### (p) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

### 2. CASH AND CASH EQUIVALENTS

|                  | 2024<br>\$ | 2023<br>\$ |
|------------------|------------|------------|
| Cash - operating | 43,657     | 914        |
| Cashable GIC     | -          | 169,427    |
| Restricted cash  | 10,151     | 10,160     |
|                  | 53,808     | 180,501    |

Restricted cash are internally restricted funds held for specific purposes as deemed by Council. Council has designated funds of \$10,151 (2023 - \$10,160) included in the above amounts for sewer levies collected from rate payers to be used for a future sewer project. These funds are held by the Summer Village in trust on behalf of the rate payers. In the event the sewer project does not proceed, the funds will be returned to the rate payers.

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 3. RECEIVABLES FROM OTHER GOVERNMENTS

|  | 2024    | 2023    |
|--|---------|---------|
|  | \$      | \$      |
| Local Government Fiscal Framework (LGFF) - Capital | 61,868  | 157,797 |
| Canada Community Building Fund (Formerly FGTF)     | 62,576  | 74,957  |
|  | 124,444 | 232,754 |

### 4. TRADE AND OTHER RECEIVABLES

|                             | 2024   | 2023   |
|-----------------------------|--------|--------|
|                             | \$     | \$     |
| Trade and other receivables | 15,888 | 15,888 |
| GST receivable              | 13,428 | 13,632 |
|                             | 29,316 | 29,520 |

### 5. ASSET RETIREMENT OBLIGATION

The Summer Village is legally required to perform abatement activities upon renovation or demolition of any buildings containing asbestos. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. the Summer Village did not identify any assets that required a financial liability to be set up as a result of the asbestos abatement for 2024.

### 6. CONTAMINATED SITES LIABILITY

The Summer Village did not identify any financial liabilities in 2024 as a result of contaminated site liabilities.

### 7. DEFERRED REVENUE

|   | 2024   | 2023    |
|---|--------|---------|
|   | \$     | \$      |
| Sewer Levies  | 10,151 | 10,151  |
| Canada Community - Building Fund                    | -      | 95,050  |
| Municipal Sustainability Initiative - Capital Grant | 170    | 194,873 |
| Local Government Fiscal Frame Work (LGFF)           | 22,305 | -       |
|   | 32,626 | 300,074 |

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 8. TANGIBLE CAPITAL ASSETS

Net book value of tangible capital assets is as follows:

|                         | 2024<br>\$ | 2023<br>\$ |
|-------------------------|------------|------------|
| Land                    | 148,577    | 51,475     |
| Engineered Structures   | 360,160    | 267,780    |
| Machinery and Equipment | 435,090    | 317,944    |
|                         | 943,827    | 637,199    |

### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

|                                       | 2024<br>\$ | 2023<br>\$ |
|---------------------------------------|------------|------------|
| Tangible capital assets (Schedule 2)  | 1,293,783  | 958,593    |
| Accumulated amortization (Schedule 2) | (349,956)  | (321,394)  |
|                                       | 943,827    | 637,199    |

### 10. ACCUMULATED SURPLUS

|                                   | 2024<br>\$ | 2023<br>\$ |
|-----------------------------------|------------|------------|
| Unrestricted surplus              | 52,900     | 94,676     |
| Restricted surplus                |            |            |
| General operating reserve         | 24,955     | 24,955     |
| Computer replacement reserve      | 1,000      | 1,000      |
| General capital reserve           | 1,814      | 1,814      |
| Roads and streets reserve         | 17,891     | 17,891     |
|                                   | 45,660     | 45,660     |
| Equity in tangible capital assets | 943,827    | 637,199    |
|                                   | 1,042,387  | 777,535    |

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 11. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits for the Summer Village of Castle Island be disclosed as follows:

|                                       | 2024    | 2023    |
|---------------------------------------|---------|---------|
|                                       | \$      | \$      |
| Total debt limit                      | 129,119 | 122,981 |
| Total debt                            | -       | -       |
| Amount of debt limit unused           | 129,119 | 122,981 |
| Debt servicing limit                  | 21,520  | 20,497  |
| Debt servicing                        | -       | -       |
| Amount of debt servicing limit unused | 21,520  | 20,497  |

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality, the financial statements must be interpreted as a whole.

### 12. SALARY & BENEFIT DISCLOSURE

Disclosure of salaries and benefits for municipal officials and the Chief Administrative Officer as required by Alberta Regulation 313/2000 is as follows:

|                             | Salary<br>(1)<br>\$ | Benefits &<br>Allowances (2)<br>\$ | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-----------------------------|---------------------|------------------------------------|---------------------|---------------------|
| Mayor & Councilors          |                     |                                    |                     |                     |
| Ian Kupchenko - Mayor       | -                   | 359                                | 359                 | 518                 |
| Calvin Smith - Deputy Mayor | -                   | -                                  | -                   | -                   |
| Jeffrey Elkow - Councilor   | -                   | -                                  | -                   | -                   |
| C.A.O:                      |                     |                                    |                     |                     |
| Wendy Wildman               | 17,514              | -                                  | 17,514              | 13,200              |

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and 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 insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

# SUMMER VILLAGE OF CASTLE ISLAND

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 13. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash, accounts receivable, accounts payable, deposits, deferred revenue and deferred grants. It is management's opinion that the Summer Village is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The Summer Village is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Summer Village provides services may experience financial difficulty and be unable to fulfil their obligations. The diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

### 14. APPROVAL OF FINANCIAL STATEMENTS

Mayor and council have approved these financial statements

### 15. BUDGET FIGURES

Budget figures have not been audited.

### 16. COMPARATIVE FIGURES

Comparative figures have been restated to conform with the presentation adopted for 2024.

### 17. RECONCILIATION OF OPERATING RESULTS TO BUDGETING SYSTEM

For the year ended December 31, 2024 the Summer Village did not include amortization in the preparation of its budget. As a result of this, the reconciliation below has been provided for information purposes only to provide users with supplementary comparative information. It should not be used as a replacement for the information provided on the statement of operations.

|  | 2024<br>Budget<br>(Unaudited)<br>\$ | 2024<br>Actual<br>\$ | 2023<br>Actual<br>\$ |
|--|-------------------------------------|----------------------|----------------------|
| Excess of revenue over expenditures before other | -                                   | (46,052)             | (64,386)             |
| Add:   |                                     |                      |                      |
| Amortization                                     | -                                   | 28,562               | 28,483               |
| Results of operations before amortization        | -                                   | (17,490)             | (35,903)             |