

**SUMMER VILLAGE OF ITASKA BEACH**  
**Financial Statements**  
**Year Ended December 31, 2024**

# SUMMER VILLAGE OF ITASKA BEACH

## Index to Financial Statements

Year Ended December 31, 2024

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the financial statements.

Management reports directly to Council on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

Prior to their submission to Council, the financial statements have been reviewed and recommended for approval by management. The financial statements have been audited by the independent firm of Seniuk and Marcato, Chartered Professional Accountants. Their report to the Council, stating their opinion, basis for opinion, other information, responsibilities of management and those charged with governance for the financial statements, and auditors' responsibilities for the audit of the financial statements, follows.

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Ms. June Boyda, CAO

Wetaskiwin, Alberta  
April 08, 2025

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## INDEPENDENT AUDITOR'S REPORT

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To the Member of Summer Village of Itaska Beach

### *Qualified Opinion*

We have audited the financial statements of Summer Village of Itaska Beach (the "Municipality"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *Basis for Qualified Opinion*

Included in revenue under government transfers for capital is \$37,200 for projects which have not yet been approved to be utilized under the Canada Community Building Fund grant. While the municipality expects this project will be approved for funding, we were not able to confirm this. Thus revenues and accumulated surplus may be overstated by \$37,200 and deferred revenue may be understated by \$37,200.

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 Municipality in accordance with 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

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\*Denotes professional corporation

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*Auditor's Responsibilities for the Audit of 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Municipality'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 Municipality'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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, 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.

Edmonton, Alberta  
April 8, 2025

  
**Seniuk and Marcato,**  
**Chartered Professional Accountants**

**SUMMER VILLAGE OF ITASKA BEACH****Statement of Financial Position****December 31, 2024**

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 136,945	\$ 135,826
Restricted cash (Note 2)	-	17,336
Term deposits (Notes 2, 3)	412,789	462,789
Taxes and grants in place of taxes receivable (Note 4)	51	-
Grants and receivables from other governments (Note 5)	365,632	298,117
Trade and other receivables	11,071	9,693
<b>TOTAL FINANCIAL ASSETS</b>	<b>926,488</b>	<b>923,761</b>
<b>LIABILITIES</b>		
Accounts payable	21,251	24,363
Deposits received	6,000	6,000
Deferred income (Note 7)	241,213	275,584
<b>TOTAL LIABILITIES</b>	<b>268,464</b>	<b>305,947</b>
<b>NET FINANCIAL ASSETS</b>	<b>658,024</b>	<b>617,814</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	5,896	5,844
Tangible capital assets (Note 6)	768,315	741,093
	774,211	746,937
<b>ACCUMULATED SURPLUS</b>	<b>\$ 1,432,235</b>	<b>\$ 1,364,751</b>

**APPROVED ON BEHALF OF COUNCIL**\_\_\_\_\_  
Mayor\_\_\_\_\_  
Councilor

**SUMMER VILLAGE OF ITASKA BEACH**  
**Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2024**

	Budget (Unaudited) 2024	2024	2023
<b>REVENUES</b>			
Net municipal taxes (Schedule 1)	\$ 179,637	\$ 179,637	\$ 179,637
Government transfers for operating (Schedule 2)	64,360	33,417	160,921
Investment income	12,030	23,225	29,554
Penalties and costs of taxes	50	2,229	1,011
Licenses and permits	2,000	20,409	1,665
Franchise fees & concession contracts	3,900	3,897	3,894
Other	568	788	825
	262,545	263,602	377,507
<b>EXPENSES</b>			
Administration and legislative	95,156	93,974	86,131
Protective services	36,766	28,362	32,871
Transportation services	68,850	45,548	135,899
Environmental services	33,523	32,451	32,684
Land use planning, zoning and development	6,000	8,936	2,720
Parks and recreation	22,250	60,234	66,569
	262,545	269,505	356,874
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	-	(5,903)	20,633
<b>OTHER INCOME (EXPENSES)</b>			
Government transfers for capital (Schedule 2)	-	73,387	42,558
<b>ANNUAL SURPLUS</b>	-	67,484	63,191
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	1,364,751	1,364,751	1,301,560
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 1,364,751	\$ 1,432,235	\$ 1,364,751

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF ITASKA BEACH**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2024**

	Budget (Unaudited) 2024	2024	2023
<b>ANNUAL SURPLUS</b>	\$ -	\$ 67,484	\$ 63,191
Amortization of tangible capital assets	-	48,366	44,769
Purchase of tangible capital assets	(69,922)	(75,588)	(42,558)
Decrease (increase) in prepaid expenses	-	(52)	(359)
	(69,922)	(27,274)	1,852
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(69,922)	40,210	65,043
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	617,814	617,814	552,771
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 547,892	\$ 658,024	\$ 617,814

The accompanying notes form an integral part of these financial statements



**SUMMER VILLAGE OF ITASKA BEACH****Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	\$ 67,484	\$ 63,191
Item not affecting cash:		
Amortization of tangible capital assets	48,366	44,769
	<b>115,850</b>	107,960
Changes in non-cash working capital:		
Trade and other receivables	(1,378)	(5,965)
Grants and receivables from other governments	(67,515)	206,536
Current taxes and grants in place of taxes	(51)	2,159
Accounts payable	(3,112)	8,826
Prepaid expenses	(52)	(359)
Deposits received	-	(2,500)
Deferred income	(34,371)	(147,380)
	<b>(106,479)</b>	61,317
Cash flow from operating activities	<b>9,371</b>	169,277
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(75,588)	(42,558)
Cash flow used by capital activities	<b>(75,588)</b>	(42,558)
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash	17,336	(820)
Decrease (increase) in term deposits	50,000	(130,542)
Cash flow from (used by) investing activities	<b>67,336</b>	(131,362)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>1,119</b>	(4,643)
Cash - beginning of year	135,826	140,469
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 136,945</b>	<b>\$ 135,826</b>
<b>CASH CONSISTS OF:</b>		
Cash and temporary investments	<b>\$ 136,945</b>	<b>\$ 135,826</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF ITASKA BEACH**  
**Schedule of Property and Other Taxes**  
**Year Ended December 31, 2024**

**(Schedule 1)**

	Budget (Unaudited) 2024	2024	2023
<b>TAXATION</b>			
Real property tax	\$ 304,141	\$ 304,141	\$ 289,420
Linear property taxes	580	580	597
	304,721	304,721	290,017
<b>REQUISITIONS</b>	(125,084)	(125,084)	(110,380)
<b>NET MUNICIPAL TAXES</b>	\$ 179,637	\$ 179,637	\$ 179,637

**Schedule of Government Transfers**

**(Schedule 2)**

	Budget (Unaudited) 2024	2024	2023
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 64,360	\$ 33,417	\$ 160,921
	64,360	33,417	160,921
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	-	73,387	42,558
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 64,360	\$ 106,804	\$ 203,479

**Schedule of Expenditures by Object**  
**Year Ended December 31, 2024**

**(Schedule 3)**

	Budget (Unaudited) 2024	2024	2023
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 3,060	\$ 2,635	\$ 1,701
Contracted and general services	243,485	205,504	299,486
Materials, goods and utilities	16,000	13,000	10,918
Amortization	-	48,366	44,769
<b>Total Expenditures by Object</b>	\$ 262,545	\$ 269,505	\$ 356,874

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF ITASKA BEACH**  
**Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2024**

**(Schedule 4)**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	<b>Total 2024</b>	Total 2023
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 354,315	\$ 269,343	\$ 741,093	<b>\$ 1,364,751</b>	\$ 1,301,560
Excess (deficiency) of revenues over expenses	67,484	-	-	<b>67,484</b>	63,191
Current year funds used to purchase of tangible capital assets	(75,588)	-	75,588	-	-
Annual amortization expense	48,366	-	(48,366)	-	-
	40,262	-	27,222	<b>67,484</b>	63,191
<b>BALANCE, END OF YEAR</b>	<b>\$ 394,577</b>	<b>\$ 269,343</b>	<b>\$ 768,315</b>	<b>\$ 1,432,235</b>	<b>\$ 1,364,751</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF ITASKA BEACH**

**Schedule of Segmented Disclosure**

**Year Ended December 31, 2024**

**(Schedule 5)**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	2024 Total
<b>REVENUE</b>							
Net municipal taxes	\$ 179,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,637
Government transfers	7,560	-	25,857	-	-	-	33,417
User fees and sales of goods	180	-	-	-	-	-	180
Investment income	23,225	-	-	-	-	-	23,225
Other revenues	6,734	-	-	20,409	-	-	27,143
	217,336	-	25,857	20,409	-	-	263,602
<b>EXPENSES</b>							
Contract and general services	89,485	28,362	29,942	8,936	16,328	32,451	205,504
Salaries and wages	2,635	-	-	-	-	-	2,635
Materials, goods and utilities	453	-	8,448	-	4,099	-	13,000
Amortization	1,401	-	7,158	-	39,807	-	48,366
	93,974	28,362	45,548	8,936	60,234	32,451	269,505
<b>Excess (deficiency) of revenue over expenses before other</b>	123,362	(28,362)	(19,691)	11,473	(60,234)	(32,451)	(5,903)
<b>OTHER</b>							
Government transfers for capital	-	-	-	-	36,187	37,200	73,387
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 123,362	\$ (28,362)	\$ (19,691)	\$ 11,473	\$ (24,047)	\$ 4,749	\$ 67,484

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF ITASKA BEACH****Schedule of Tangible Capital Assets****(Schedule 6)****Year Ended December 31, 2024**

	Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
<b>For the year ended December 31, 2024</b>				
<b>Cost</b>				
Land	\$ 280,469	\$ -	\$ -	\$ 280,469
Land improvements	563,926	36,187	(3,894)	596,219
Engineered structures	183,550	37,200	-	220,750
Buildings	48,723	-	-	48,723
Machinery and equipment	59,297	2,201	-	61,498
Assets under construction	9,973	-	(9,973)	-
	1,145,938	75,588	(13,867)	1,207,659
<b>Accumulated Amortization</b>				
Land improvements	(255,858)	(38,334)	13,867	(280,325)
Buildings	(4,949)	(974)	-	(5,923)
Engineered structures	(105,910)	(5,414)	-	(111,324)
Machinery and equipment	(38,128)	(3,644)	-	(41,772)
	(404,845)	(48,366)	13,867	(439,344)
<b>Net Book Value</b>	\$ 741,093	\$ 27,222	\$ -	\$ 768,315

**For the year ended December 31, 2023**

<b>Cost</b>				
Land improvements	\$ 534,155	\$ 29,771	\$ -	\$ 563,926
Land	280,469	-	-	280,469
Buildings	48,723	-	-	48,723
Engineered structures	183,550	-	-	183,550
Machinery and equipment	56,482	2,815	-	59,297
Assets under construction	-	9,973	-	9,973
	1,103,379	42,559	-	1,145,938
<b>Accumulated Amortization</b>				
Land improvements	(221,543)	(34,315)	-	(255,858)
Buildings	(3,974)	(975)	-	(4,949)
Engineered structures	(101,127)	(4,783)	-	(105,910)
Machinery and equipment	(33,431)	(4,697)	-	(38,128)
	(360,075)	(44,770)	-	(404,845)
<b>Net Book Value</b>	\$ 743,304	\$ (2,211)	\$ -	\$ 741,093

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year which are shown in their respective asset classifications.

# SUMMER VILLAGE OF ITASKA BEACH

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Itaska Beach (the Municipality) are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). It is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA). Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

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 or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided, or the tangible capital assets are acquired.

#### Tax Revenue

Annually, the Municipality bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by the Municipality Council in accordance with legislation and the Municipality Council approved policies to raise the tax revenue required to meet the Municipality's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Schedule of Property and Other Taxes.

The Municipality also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Schedule of Property and Other Taxes (Schedule 1).

#### Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

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# SUMMER VILLAGE OF ITASKA BEACH

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Segment disclosures

The Schedule of Segment Disclosures – Schedule 5 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes.

Segments include:

- a) Transportation Services includes roadway and parking services.
- b) Protective Services is comprised of police, traffic safety, bylaw enforcement and fire rescue.
- c) Recreation and Culture includes parks and recreation, community and family services, planning and corporate properties and public housing.
- d) General Government includes municipal administration and council governance.
- e) Planning and Development includes related services for the betterment of the municipality.
- f) Environmental Services include water, sewage, and garbage services.

#### Use of Estimates

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

Significant estimates include:

- estimated accrued receivables;
- the estimated useful lives of assets;
- assessment of impairment of long term assets; and
- estimated accrued payables.

#### Financial instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non- derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### Cash and Short Term Investments

Cash and cash equivalents consist of cash on deposit, bankers' acceptances, treasury bills and commercial paper, at cost, which approximates market value. These cash equivalents generally mature within 90 days from the date of purchase, are capable of reasonably prompt liquidation and may be used to manage the Municipality's cash position throughout the year.

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# SUMMER VILLAGE OF ITASKA BEACH

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

#### Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from other orders of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future. The Municipality receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the Municipality are recognized as revenues when the transfers are authorized and all the eligibility criteria, if any, has been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received along with restricted interest thereon are recorded as deferred revenue.

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the transfer has been authorized and the eligibility criteria, if any, have been met by the recipient. The majority of transfers made by the Municipality are in the form of tangible capital assets, grants and subsidies.

#### Loans Receivable

Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances.

#### Land Inventory for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as physical assets under the respective function.

#### Local Improvements

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the MGA to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owners' share of the improvement is recognized as revenue and established as a receivable in the period that the project expenditures are completed.

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# SUMMER VILLAGE OF ITASKA BEACH

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Tangible Capital Assets

Tangible capital assets are stated at cost which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less accumulated amortization of the tangible capital assets, is amortized on a straight-line basis at the following rates:

Land improvements	8 - 25 years
Buildings	50 years
Machinery and equipment	5 - 10 years
Engineered structures	10 - 30 years

The Municipality regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### 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.

#### Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

#### Impairment of Long Lived Assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### Non-Financial Assets

Non-financial assets are not available to discharge 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. Non-financial assets include tangible capital assets, inventory of materials and supplies, and other assets.

#### Debt Charges Recoverable

Debt recoverable consists of long term debt amounts borrowed that are recoverable under loans or other financial arrangements made to non-profit organizations. These debt recoverable amounts are recorded at a value equivalent to the offsetting outstanding long term debt balances as at December 31. Loans are recorded at the lower of cost and net recoverable value. A valuation allowance in the debt recoverable is recognized when there is no longer any reasonable assurance of collection.

*(continues)*

# SUMMER VILLAGE OF ITASKA BEACH

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Deferred Revenue

Deferred revenue comprises funds received in advance of services performed or where the use of funds is externally restricted. These amounts are recognized as revenue in the period the service is performed or when the funds are used for the purpose specified. When agreements stipulate that interest earned on contributions should be restricted for a specific purpose that interest is treated as a contribution received and recorded as an addition to deferred revenue.

#### Deposits

Deposits are held for the purposes of securing the compliance of a third party to contractual stipulations. Deposits are returned when compliance with contractual stipulations are determined. Deposits are recognized as revenue when a third party defaults on the contractual stipulations that the deposits were securing against.

#### Long-term Debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently, measured at amortized cost.

#### Reserves and Equity in Tangible Capital Assets

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets after deducting the portion financed by long term debt.

#### 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.

#### Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to 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.

#### Asset Retirement Obligations

*(continues)*

# SUMMER VILLAGE OF ITASKA BEACH

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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 Municipality 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 Municipality reviews the carrying amount of the liability. The Municipality 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 Municipality 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.

#### Contaminated Sites Liability

Contaminated sites are the result of a chemical, organic or radioactive material or live organism in amounts that exceed an environmental standard being introduced into soil, water or sediment. The Municipality recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Municipality is directly responsible or accepts responsibility for the contamination,
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Municipality's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Municipality's best estimate, as of December 31, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. When cash flows are expected to occur over extended future periods the Municipality will measure the liability using present value techniques. This liability is reported in in the Statement of Financial Position.

**SUMMER VILLAGE OF ITASKA BEACH****Notes to Financial Statements****Year Ended December 31, 2024****2. CASH, TEMPORARY INVESTMENTS, AND RESTRICTED CASH**

	<b>2024</b>	<b>2023</b>
Cash and temporary investments	\$ 136,945	\$ 135,826
Term deposits	412,789	462,789
Restricted cash	-	17,336
	<b>\$ 549,734</b>	<b>\$ 615,951</b>

Temporary investments are short term deposits with original maturities of one year or less.

Restricted amounts received from municipal grants and are held exclusively for future approved projects (Note 7).

**3. TERM DEPOSITS**

	<b>2024 Cost</b>	<b>2024 Market value</b>	<b>2023 Cost</b>	<b>2023 Market value</b>
1 Year term deposit maturing Feb 2024 at 5.07% per annum	\$ -	\$ -	\$ 150,000	\$ 150,000
1 Year term deposit maturing May 2024 at 4.47% per annum	-	-	50,000	50,000
1.5 Year term deposit maturing May 2025 at 5.3% per annum	150,000	150,000	150,000	150,000
1.5 Year term deposit maturing Feb 2025 at 5.25% per annum	112,789	112,789	112,789	112,789
1.5 Year term deposit maturing August 2025 at 4.59% per annum	50,000	50,000	-	-
1 Year term deposit maturing August 2025 at 4.2% per annum	100,000	100,000	-	-
	<b>\$ 412,789</b>	<b>\$ 412,789</b>	<b>\$ 462,789</b>	<b>\$ 462,789</b>

**4. TAXES RECEIVABLES**

Taxes receivables are comprised of:

	<b>2024</b>	<b>2023</b>
Current taxes and grants in place of taxes	\$ 51	\$ -

**SUMMER VILLAGE OF ITASKA BEACH****Notes to Financial Statements****Year Ended December 31, 2024****5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS**

Grants and receivables from other governments are comprised of:

	<b>2024</b>	<b>2023</b>
Municipal Sustainability Initiative - Capital - grant receivable	<b>\$ 233,869</b>	<b>\$ 233,869</b>
Canada Community Building Fund grant receivable	<b>57,443</b>	<b>50,695</b>
Local Government Fiscal Framework - Capital grant receivable	<b>63,177</b>	<b>-</b>
Subtotal	<b>354,489</b>	<b>284,564</b>
Goods and services tax refundable	<b>11,143</b>	<b>13,553</b>
	<b>\$ 365,632</b>	<b>\$ 298,117</b>

**6. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2024 Net book value</b>	<b>2023 Net book value</b>
Land improvements	<b>\$ 596,219</b>	<b>\$ -</b>	<b>\$ 596,219</b>	<b>\$ 563,926</b>
Land	<b>280,469</b>	<b>280,325</b>	<b>144</b>	<b>24,611</b>
Engineered structures	<b>220,750</b>	<b>111,324</b>	<b>109,426</b>	<b>77,640</b>
Buildings	<b>48,723</b>	<b>5,923</b>	<b>42,800</b>	<b>43,774</b>
Machinery and equipment	<b>61,498</b>	<b>41,772</b>	<b>19,726</b>	<b>21,169</b>
Assets under construction	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,973</b>
	<b>\$ 1,207,659</b>	<b>\$ 439,344</b>	<b>\$ 768,315</b>	<b>\$ 741,093</b>

For additional information, see the Schedule of Tangible Capital Assets (Schedule 6).

**SUMMER VILLAGE OF ITASKA BEACH****Notes to Financial Statements****Year Ended December 31, 2024****7. DEFERRED REVENUE**

Deferred revenue is comprised of:

<b>2024</b>	<b>2023 Balance</b>	<b>Allocations</b>	<b>Disbursements</b>	<b>2024 Balance</b>
<b>Grant Funding</b>				
Canada Community-Building Fund \$	68,031	\$ 6,748	\$ (37,200)	\$ <b>37,579</b>
Municipal Sustainability Initiative - Capital	202,072	-	(62,044)	<b>140,028</b>
Local Government Fiscal Framework - Capital	-	63,177	-	<b>63,177</b>
	270,103	69,925	(99,244)	<b>240,784</b>
<b>Other Deferred Revenue</b>				
Prepaid Taxes	5,481	-	(5,052)	<b>429</b>
	\$ 275,584	\$ 69,925	\$ (104,296)	\$ <b>241,213</b>

<b>2023</b>	<b>2022 Balance</b>	<b>Allocations</b>	<b>Disbursements</b>	<b>2023 Balance</b>
<b>Grant Funding</b>				
Canada Community-Building Fund	60,771	7,260	-	<b>68,031</b>
Municipal Sustainability Initiative - Capital	360,958	37,034	(195,920)	<b>202,072</b>
	421,729	44,294	(195,920)	<b>270,103</b>
<b>Other Deferred Revenue</b>				
Prepaid Taxes	1,235	4,246	-	<b>5,481</b>
	422,964	48,540	(195,920)	<b>275,584</b>

Grant funding is comprised of the funds noted above and is allocated to the Municipality by the Provincial Government as approved by the individual restricted funding agreements. These grants are restricted to specific projects that must be approved per the agreement and are scheduled for completion in the next few years. These funds are recognized as revenue in the period they are used for the purpose specified. Unexpended funds related to the advances, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

## SUMMER VILLAGE OF ITASKA BEACH

### Notes to Financial Statements

Year Ended December 31, 2024

#### 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 Summer Village of Itaska Beach, be disclosed as follows:

	2024	2023
Total debt limit	\$ 395,403	\$ 566,261
Total debt	-	-
Amount of debt limit unused	395,403	566,261
Debt servicing limit	65,901	94,377
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 65,901	\$ 94,377

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 of 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.

#### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2024	2023
Tangible capital assets (Note 6.)	\$ 1,207,659	\$ 1,145,938
Accumulated amortization (Note 6.)	(439,344)	(404,845)
	\$ 768,315	\$ 741,093

#### 10. SEGMENTED DISCLOSURE

The Summer Village of Itaska Beach provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 4).

## SUMMER VILLAGE OF ITASKA BEACH

### Notes to Financial Statements

Year Ended December 31, 2024

#### 11. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary (1)	Benefits & allowances (2)	Total	Total
D. Alton - Dep. Mayor	\$ 595	\$ -	\$ 595	\$ 340
C. Fee - Mayor	1,190	-	1,190	1,020
A. Agnew - Councilor	850	-	850	340
Chief Administrative Officer	55,075	3,694	58,769	55,889
Designated Officers (3)	2,944	-	2,944	2,944
	\$ 60,654	\$ 3,694	\$ 64,348	\$ 60,533

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

#### 12. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and cash equivalents investments, accounts receivable, investments, debt charges recoverable, accounts payable and accrued liabilities, deposit liabilities. It is management's opinion that the Municipality is not exposed to significant currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Municipality manages risk exposure on these items similar to other receivables and payables

The municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2024.

##### Credit risk

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

##### Liquidity risk

Liquidity risk is the risk that the Municipality will be unable to meet its financial obligations as they come due. The Municipality is exposed to this risk through its accounts payable. This risk is influenced by the timing and collection of property taxes and other municipal revenues. If taxpayers delay or default on payments, it could impact the Municipality's cash flow and ability to fund operations.

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## SUMMER VILLAGE OF ITASKA BEACH

### Notes to Financial Statements

Year Ended December 31, 2024

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#### 12. FINANCIAL INSTRUMENTS *(continued)*

##### Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the Municipality's financial position, potentially increasing borrowing costs or reducing investment income. This risk can indirectly impact taxpayers through higher future funding requirements. The Municipality is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant other risks arising from these financial instruments.

#### 13. RELATED PARTY TRANSACTIONS

The Municipality made payments of \$5,896 (2023 - \$4,195) to a company related to the CAO for computer services. These transactions are subject to normal trade terms, and were measured at the exchange amount, being the amount of consideration established and agreed by the related parties.

#### 14. CONTAMINATED SITES LIABILITY

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2024 (2023 – Nil) as a result of this standard.

#### 15. ASSET RETIREMENT OBLIGATIONS

The Municipality has adopted PS3280 Asset Retirement Obligations. The Municipality did not identify any financial liabilities in 2024 (2023 – Nil) as a result of this standard.

#### 16. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

#### 17. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

#### 18. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited.