

Summer Village of Gull Lake
Financial Statements
For the year ended December 31, 2023

Summer Village of Gull Lake
Financial Statements
For the year ended December 31, 2023

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Independent Auditor's Report

To the Mayor and Councillors of the Summer Village of Gull Lake

Opinion

We have audited the financial statements of Summer Village of Gull Lake (the Entity), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of change in net financial assets, and 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 Entity as at December 31, 2023 and its results of operations, its measurement gains and losses, its change in 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 Entity'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 Entity'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, 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.

BDO Canada LLP

Chartered Professional Accountants

Red Deer County, Alberta
April 23, 2024

Summer Village of Gull Lake Statement of Financial Position

As at December 31	2023	2022
Financial assets		
Cash (Note 1)	\$ 308,826	\$ 179,796
Taxes receivable (Note 3)	13,243	851
Accounts receivable	89,401	79,843
Investments	1,793,034	1,925,462
	<u>2,204,504</u>	<u>2,185,952</u>
Liabilities		
Accounts payable and accrued liabilities	13,228	23,193
Deposit liabilities	40,750	35,750
Deferred revenue (Note 4)	141,422	212,093
	<u>195,400</u>	<u>271,036</u>
Net financial assets	<u>2,009,104</u>	<u>1,914,916</u>
Non-financial assets		
Tangible capital assets (Note 5)	1,581,336	1,529,807
Prepaid expenses	6,445	6,445
	<u>1,587,781</u>	<u>1,536,252</u>
Accumulated surplus (Note 7)	<u>\$ 3,596,885</u>	<u>\$ 3,451,168</u>
Debt limits (Note 12)		
Contingencies and commitments (Note 13)		

Summer Village of Gull Lake
Statement of Operations

For the year ended December 31	Budget 2023	2023	2022
Revenue			
Net municipal taxes (Note 9)	\$ 367,131	\$ 357,002	\$ 326,627
Permits, licenses and fines	9,050	9,159	6,138
Donation income	-	-	54,116
Penalties and costs on taxes	7,000	5,814	4,820
Government transfers for operating	20,794	24,674	19,494
User fees and service charges	18,793	16,230	21,345
Rental	4,000	14,585	10,500
Investment income	60,000	82,838	40,736
Contributed assets	-	-	139,166
	<u>486,768</u>	<u>510,302</u>	<u>622,942</u>
Expenses (Note 10)			
Legislative	16,516	14,222	8,802
Administration	143,611	144,447	131,649
Protective services	50,090	25,202	30,595
Transportation services	155,831	123,610	116,878
Waste management	20,743	23,310	20,743
Public health and welfare	4,387	1,096	1,096
Planning and development	18,035	7,557	2,499
Recreation and parks	27,555	32,863	80,403
Amortization	139,607	139,607	122,463
	<u>576,375</u>	<u>511,914</u>	<u>515,128</u>
Deficiency of revenue over expenditures - before other	(89,607)	(1,612)	107,814
Other			
Government transfers for capital	69,770	147,329	48,473
Deficiency of revenue over expenditures	(19,837)	145,717	156,287
Accumulated surplus, beginning of the year	<u>3,451,168</u>	<u>3,451,168</u>	<u>3,294,881</u>
Accumulated surplus, end of year	<u>\$ 3,431,331</u>	<u>\$ 3,596,885</u>	<u>\$ 3,451,168</u>

Summer Village of Gull Lake
Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2023	2023	2022
	(Note 14)		
Deficiency of revenue over expenditures	\$ (19,837)	\$ 145,717	\$ 156,287
Acquisition of tangible capital assets	-	(191,136)	(187,639)
Amortization of tangible capital assets	139,607	139,607	122,463
	119,770	94,188	91,111
Net change in net financial assets	119,770	94,188	91,111
Net financial assets, beginning of year	1,914,916	1,914,916	1,823,805
Net financial assets, end of year	\$ 2,034,686	\$ 2,009,104	\$ 1,914,916

Summer Village of Gull Lake
Statement of Cash Flows

For the year ended December 31	2023	2022
Operating transactions		
Deficiency of revenue over expenditures	\$ 145,717	\$ 156,287
Items not involving cash		
Amortization	139,607	122,463
Changes in non-cash operating balances		
Taxes receivable	(12,392)	8,619
Accounts receivable	(9,558)	60,145
Accounts payable and accrued liabilities	(9,965)	1,408
Deposit liabilities	5,000	(1,250)
Deferred revenue	(70,671)	18,844
	<u>187,738</u>	<u>366,516</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(191,136)</u>	<u>(187,639)</u>
Investing transactions		
Proceeds on disposition of portfolio investments	132,428	-
Purchase of investments	-	(1,925,462)
Change in restricted cash amounts	<u>67,169</u>	<u>(82,250)</u>
Net change in cash	196,199	(1,828,835)
Cash, beginning of year	<u>41,455</u>	<u>1,870,290</u>
Cash, end of year	<u>\$ 237,654</u>	<u>\$ 41,455</u>
Cash is comprised of:		
Cash	\$ 308,826	\$ 179,796
Less: restricted portion of cash (Note 1)	<u>(71,172)</u>	<u>(138,341)</u>
	<u>\$ 237,654</u>	<u>\$ 41,455</u>

Summer Village of Gull Lake

Summary of Significant Accounting Policies

December 31, 2023

**Management's
Responsibility for the
Financial Statements**

The financial statements of the Summer Village are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accounts of Canada.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

Reporting Entity

The financial statement reflect the assets, liabilities, revenue and expenditures of the Summer Village. The Summer Village is comprised of the Summer Village operations plus any organizations that are owned or controlled by the Summer Village and are, therefore, accountable to Council for the administration of their financial affairs and resources. There are no other organizations owned or controlled by the Summer Village.

The statements exclude trust assets that are administered for the benefit of external parties.

Interdepartmental and organizational transactions and balances are eliminated.

**Tangible Capital
Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	5 to 20 years
Buildings	5 to 30 years
Roads and other engineered structures	5 to 50 years
Machinery and equipment	5 to 25 years

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to

Summer Village of Gull Lake

Summary of Significant Accounting Policies

December 31, 2023

the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied. The schedule of taxes levied also includes requisitions for education and other external organizations are not part of the Summer Village.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

Financial Instruments

The Summer Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Cash, accounts receivable and accounts payable are measured at cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

Liability for

Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. As of December 31, 2023, no such obligations exist for contaminated sites.

Asset Retirement

Obligation

An asset retirement obligation arises when there is a legal or constructive obligation associated with the retirement of tangible long-lived assets and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. As of December 31, 2023, no such obligations exist for the Summer Village's tangible long-lived assets

Summer Village of Gull Lake

Summary of Significant Accounting Policies

December 31, 2023

Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates include the provisions for uncollectible receivable and provision for amortization of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

New Accounting Policies Adopted During the Year

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn. Information presented for comparative purposes is restated unless the necessary financial data is not reasonably determinable.

PS 3450 Financial Instruments, provides guidance on the recognition, measurement, presentation, and disclosure of financial instruments including derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the Summer Village. These measurements are to be applied prospectively with any difference between the fair value and the prior carrying value being recognized as an adjustment to accumulated remeasurement gains and losses at the beginning of the fiscal year. This standard was adopted in conjunction with PS 1201 - Financial Statement Presentation, PS 2601 - Foreign Currency Translation and PS 3041 - Portfolio Investments. Management has reviewed the standard and all the financial statements and determined the Summer Village does not have derivative or equity instruments.

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

1. Cash

Included in cash is a restricted amount of \$71,172 (2022 - \$138,341) which is made up of deferred revenue that has been received (Note 4).

2. Investments

	2023	2022
GIC at 3.65%, maturing June 16, 2024	\$ 777,375	\$ 750,000
GIC at 4.75%, maturing February 21, 2025	580,372	375,000
GIC at 4.5%, maturing June 16, 2024	386,812	400,000
GIC at 2.75%, maturing October 20, 2023	-	375,000
Accrued interest for the year	48,475	25,462
	<u>\$ 1,793,034</u>	<u>\$ 1,925,462</u>

The income from portfolio investments for the year was \$48,475 (2022 - \$25,462).

3. Taxes Receivable

	2023	2022
Current taxes	\$ 2,039	\$ 760
Current taxes in arrears	11,204	91
	<u>\$ 13,243</u>	<u>\$ 851</u>

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

4. Deferred Revenue

	Opening balance	Contributions received or receivable	Revenue recognized	Ending balance
Municipal Sustainability Initiative - Capital	\$ 179,974	54,232	(145,434)	\$ 88,772
Municipal Sustainability Initiative - Operating	-	18,442	(18,442)	-
Canada Community Building Fund	32,119	16,018	(1,895)	46,242
Other	-	12,640	(6,232)	6,408
	<u>\$ 212,093</u>	<u>101,332</u>	<u>(172,003)</u>	<u>\$ 141,422</u>

Grants

Under various grant agreements with the Government of Canada and the Province of Alberta, the Summer Village is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source government. Unexpended funds are repayable to the source government upon final accounting. Funds are deferred until related expenditures under the specific grant agreement have been incurred.

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets

							2023
	Land	Land Improvements	Buildings	Machinery and Equipment	Roads and other engineered structures	Total	
Cost, beginning of year	\$ 182,563	\$ 178,586	\$ 538,980	\$ 524,617	\$ 1,534,555	\$ 2,959,301	
Additions		-	1,395	187,846	1,895	191,136	
Disposals	-	-	-	-	-	-	
Cost, end of year	\$ 182,563	\$ 178,586	\$ 540,375	\$ 712,463	\$ 1,536,450	\$ 3,150,437	
Accumulated amortization, beginning of year	\$ -	\$ 21,130	\$ 330,100	\$ 312,199	\$ 766,065	\$ 1,429,494	
Amortization	-	9,257	16,693	43,103	70,554	139,607	
Disposals	-	-	-	-	-	-	
Accumulated amortization, end of year	\$ -	\$ 30,387	\$ 346,793	\$ 355,302	\$ 836,619	\$ 1,569,101	
Net carrying amount, end of year	\$ 182,563	\$ 148,199	\$ 193,582	\$ 357,161	\$ 699,831	\$ 1,581,336	

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets (continued)

							2022
	Land	Land Improvements	Buildings	Machinery and Equipment	Roads and other engineered structures	Total	
Cost, beginning of year	\$ 182,563	\$ 33,470	\$ 538,980	\$ 490,434	\$ 1,526,215	\$ 2,771,662	
Additions		145,116	-	34,183	8,340	187,639	
Cost, end of year	\$ 182,563	\$ 178,586	\$ 538,980	\$ 524,617	\$ 1,534,555	\$ 2,959,301	
Accumulated amortization, beginning of year	\$ -	\$ 18,831	\$ 313,686	\$ 278,907	\$ 695,607	\$ 1,307,031	
Amortization		2,299	16,414	33,292	70,458	122,463	
Accumulated amortization, end of year	\$ -	\$ 21,130	\$ 330,100	\$ 312,199	\$ 766,065	\$ 1,429,494	
Net carrying amount, end of year	\$ 182,563	\$ 157,456	\$ 208,880	\$ 212,418	\$ 768,490	\$ 1,529,807	

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

6. Equity in Tangible Capital Assets

	2023	2022
Tangible capital assets	\$ 3,150,437	\$ 2,959,301
Accumulated amortization	(1,569,101)	(1,429,494)
	\$ 1,581,336	\$ 1,529,807

7. Accumulated Surplus

	2023	2022
Equity in tangible capital assets	\$ 1,581,336	\$ 1,529,807
Equity in other non-financial assets	6,445	6,445
Unrestricted surplus	410,697	314,916
	1,998,478	1,851,168
Restricted surplus		
Operating Surplus	100,000	100,000
Financial Stability and Operating Contingency	100,000	100,000
Buildings	500,000	500,000
Machinery, Equipment & Vehicles	200,000	200,000
Engineered Structures	600,000	600,000
Recreation Facilities and Equipment	100,000	100,000
	1,600,000	1,600,000
	\$ 3,598,478	\$ 3,451,168

The investment in tangible capital assets represents amounts already spent and invested in infrastructure. Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

8. Change in Accumulated Surplus

	Unrestricted surplus	Restricted surplus	Equity in tangible capital assets	Equity in other non- financial assets	2023	2022
Balance, beginning of year	314,916	1,600,000	\$ 1,529,807	6,445	3,451,168	3,309,607
Deficiency of revenue over expenses	145,717	-	-	-	145,717	156,287
Change in non-financial assets	-	-	-	-	-	-
Net operating transfers to restricted surplus		-	-	-	-	-
Acquisition of capital	(191,136)	-	191,136	-	-	-
Disposals and write-down of assets		-	-	-	-	-
Amortization	139,607	-	(139,607)	-	-	-
Change in accumulated surplus	\$ 94,188	\$ -	\$ 51,529	\$ -	\$ 145,717	\$ 156,287
Balance, end of year	\$ 409,104	\$ 1,600,000	\$ 1,581,336	\$ 6,445	\$ 3,596,885	\$ 3,465,894

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

9. Taxation - Net

	Budget 2023	2023	2022
Real property taxes	\$ 621,925	\$ 599,206	\$ 565,646
Minimum tax	-	12,572	14,863
Requisitions			
Alberta School Foundation Fund	254,794	254,776	253,882
Available for general municipal purposes	\$ 367,131	\$ 357,002	\$ 326,627

10. Expenses by Object

	Budget 2023	2023	2022
Salaries and wages	124,173	104,774	89,647
Amortization	139,607	139,607	122,463
Materials and goods	104,340	64,227	110,905
Utilities	11,656	14,980	12,183
Insurance	8,183	8,641	7,023
Contracted services	149,828	143,972	142,574
Professional fees	15,045	14,550	13,875
Repairs and Maintenance	18,857	21,163	16,458
	\$ 571,689	\$ 511,914	\$ 515,128

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

11. Salary and Benefits Disclosure

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

	Salary	Benefits & Allowances	Total 2023	Total 2022
Current Council				
Mayor Doug Francoeur	5,000	280	5,280	2,500
Deputy Mayor Stuart Innes	4,000	221	4,221	2,000
Councillor Lon Kasha	4,000	221	4,221	2,000

Summer Village of Gull Lake has an agreement for shared CAO services with Summer Village of Parkland Beach that started in January 1, 2022. Fees paid for shared CAO services totalled \$84,870 (2022 - \$82,774).

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, and professional memberships.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits.

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

11. Municipal Employees Pension Plans

Local Authorities Pension Plan

Certain employees of the Summer Village are eligible to be members of the Local Authorities Pension Plan (LAPP), a multiemployer pension plan which is covered by the Public Sector Pension Plans Act. The Plan serves about 275,000 people and over 420 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

The Summer Village contributes to the Plan at a rate of 8.45% pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 12.80% for the excess. Employees contribute to the Plan at a rate of 7.45% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 11.80% for the excess.

Contributions for the year were:

	2023	2022
Employer contributions	\$ 3,988	\$ -
Employee contributions	3,516	-
	<u>\$ 7,504</u>	<u>\$ -</u>

As this is a multiemployer pension plan, these contributions are the Summer Village's pension benefit expense. No pension liability for this type of plan is included in the Summer Village's financial statements. The most recent valuation as at December 31, 2022 indicates a surplus of \$12.7 billion (2021 - surplus \$11.9 billion) for the pension plan. The actuary does not attribute portions of the unfunded liability to individual employers.

Summer Village of Gull Lake

Notes to Financial Statements

December 31, 2023

12. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation for the Summer Village be disclosed as follows:

	2023	2022
Total debt limit	\$ 953,355	\$ 704,615
Total debt	-	-
Total debt limit available	953,355	704,615
Debt servicing limit	158,893	117,436
Debt servicing	-	-
Total debt servicing limit available	158,893	117,436

The debt limit is calculated at 1.5 times revenue of the Summer Village (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 which 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.

13. Contingencies and Commitments

- The Summer Village is a member of the Genesis Reciprocal Insurance Exchange. Under terms of the membership the Summer Village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year losses are determined.
 - The Summer Village has entered into an agreement for assessment services from January 1, 2018 to March 31, 2028 at rates set by a pre-determined rate schedule.
 - The Summer Village has entered into an agreement for planning services from April 1, 2020 to March 31, 2023. These services cost a minimum annual amount of \$2,500. Agreement extended to December 31, 2023.
 - The Summer Village of Gull Lake has entered into agreement with Summer Village of Parkland Beach for the sharing of management and administrative services for the period of four years, starting January 1, 2022. The agreement can be terminated not less than one year with written notice or expiry of the initial term. The charges each month are based on actual time spent of key employees and resources of Summer Village of Parkland Beach.
 - The Summer Village of Gull Lake has entered into an agreement with Town of Bently for funding of FCSS Services. Agreement valid from January 1, 2023 till December 31, 2025 with annual payment of \$4,387.
-

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

14. Budget

The budget adopted by Council on April 17, 2023, was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget anticipated use of surpluses accumulated in previous years to fund current year operation and capital activities. Amortization was budgeted, but not funded. The budget expensed all tangible capital expenditures. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budget adopted by Council on April 17, 2023, with adjustments as follows:

	<u>2023</u>
Financial plan (Budget) Bylaw Surplus (Deficit) for the year	\$ -
Add:	
Government transfers to capital	69,770
Budgeted net transfers to accumulated surplus	50,000
Less:	
Amortization	<u>(139,607)</u>
Budgeted surplus (deficit) per statement of operations	<u>\$ (19,837)</u>

December 31, 2023

15. Segmented Information

The Summer Village is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Summer Village itself and cannot be directly attributed to a specific segment.

Protection Services

Protective services is comprised of bylaw enforcement, fire protection and private security services. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

Transportation services

Transportation services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of park and open space, street lighting and managing the Summer Village's fleet of equipment.

Waste Management Services

Waste management services provides collection and disposal of solid waste.

Recreation and Parks

Recreation and parks provides recreation services and funding to recreation groups within the Summer Village.

Planning and Development

The planning department provides a number of services including Summer Village planning and enforcement of building and construction codes and review of all property development plans through its application process

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses and equity in government business enterprises and government business partnerships that are directly attributable to a particular segment are allocated to that segment. Taxation revenue has been allocated to general government.

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

15. Segmented Information (continued)

For the year ended December 31	Protective Services	Transportat- ion Services	Waste Management Services	Planning and Development	Recreation and Parks	General Government	2023 Total
Revenue							
Taxation	\$ 59,000	\$ 140,220	\$ 20,000	\$ 12,365	\$ 23,955	\$ 101,462	\$ 357,002
Government transfers for capital	-	147,329	-	-	-	-	147,329
Permits, licences and fines	300	-	-	8,859	-	-	9,159
Penalties and costs on taxes	-	-	-	-	-	5,814	5,814
Government transfers for operating	-	-	-	-	4,000	24,674	28,674
User fees and service charges	-	6,656	-	-	6,262	3,312	16,230
Rental	-	-	-	-	10,585	-	10,585
Investment income	-	-	-	-	-	82,838	82,838
	<u>59,300</u>	<u>294,205</u>	<u>20,000</u>	<u>21,224</u>	<u>44,802</u>	<u>218,100</u>	<u>657,631</u>
Expenses							
Contracted and general services	25,202	452	23,310	7,557	12,139	139,839	208,498
Salaries and wages	-	77,353	-	-	8,695	18,726	104,774
Amortization	-	111,034	-	-	28,572	-	139,606
Materials, goods and utilities	-	41,222	-	-	12,029	5,785	59,036
	<u>25,202</u>	<u>230,061</u>	<u>23,310</u>	<u>7,557</u>	<u>61,435</u>	<u>164,350</u>	<u>511,914</u>
Net surplus (deficit)	<u>\$ 34,098</u>	<u>\$ 64,144</u>	<u>\$ (3,310)</u>	<u>\$ 13,667</u>	<u>\$ (16,633)</u>	<u>\$ 53,750</u>	<u>\$ 145,717</u>

Summer Village of Gull Lake
Notes to Financial Statements

December 31, 2023

15. Segmented Information (continued)

For the year ended December 31	Protective Services	Transportat - ion Services	Waste Management Services	Planning and Development	Recreation and Parks	General Government	2022 Total
Revenue							
Taxation	\$ 59,000	\$ 140,220	\$ 20,000	\$ 12,365	\$ 23,955	\$ 71,087	\$ 326,627
Government transfers for capital	-	48,473	-	-	-	-	48,473
Permits, licences and fines	200	-	-	5,938	-	-	6,138
Penalties and costs on taxes	-	-	-	-	-	4,820	4,820
Government transfers for operating	-	-	-	-	4,000	19,494	23,494
User fees and service charges	-	12,064	-	-	7,731	1,550	21,345
Rental	-	-	-	-	6,500	-	6,500
Investment income	-	-	-	-	-	40,736	40,736
Donations	-	-	-	-	54,116	-	54,116
Contributed assets	-	-	-	-	139,166	-	139,166
	<u>59,200</u>	<u>200,757</u>	<u>20,000</u>	<u>18,303</u>	<u>235,468</u>	<u>137,687</u>	<u>671,415</u>
Expenses							
Contracted and general services	26,518	2,893	20,743	2,499	4,096	126,765	183,514
Salaries and wages	4,077	64,590	-	-	11,331	9,649	89,647
Amortization	-	101,128	-	-	21,335	-	122,463
Materials, goods and utilities	-	49,395	-	-	64,976	5,133	119,504
	<u>30,595</u>	<u>218,006</u>	<u>20,743</u>	<u>2,499</u>	<u>101,738</u>	<u>141,547</u>	<u>515,128</u>
Net surplus (deficit)	<u>\$ 28,605</u>	<u>\$ (17,249)</u>	<u>\$ (743)</u>	<u>\$ 15,804</u>	<u>\$ 133,730</u>	<u>\$ (3,860)</u>	<u>\$ 156,287</u>

December 31, 2023

16. Risk Management

Through its financial assets and liabilities, the Summer Village is exposed to various risks. The Summer Village is not exposed to significant interest, market price or currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Summer Village manages risk exposure on these items similar to other receivables and payables.

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. The financial instruments that potentially subject the Summer Village to credit risk consist of cash, investments and accounts receivable. The Summer Village's cash and investments are maintained at a major financial institutions; therefore, the Summer Village considers the risk of non-performance of these instruments to be remote. Accounts receivable primarily consist of receivables from other levels of government, with a strong financial capacity to pay. There were no balances past due but not impaired, other than \$11,204 of taxes receivable in arrears. The Summer Village's maximum credit exposure is the carrying value of the financial instruments.

Liquidity risk is the risk that the Summer Village will encounter difficulty in meeting financial obligations as they fall due. The Summer Village undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations. The financial instruments that potentially subject the Summer Village to liquidity risk consist of accounts payable. Sufficient cash is maintained to be able to pay off the liabilities as they become due. All accounts payable are due within in one year.

16. Comparative Figures

Wherever necessary, comparative figures have been reclassified to conform with current year financial statement presentation.

17. Approval of Financial Statements

Council approved these financial statements.
