

Summer Village of Yellowstone

Financial Statements

December 31, 2023

Summer Village of Yellowstone

CONTENTS

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Schedule of Changes in Accumulated Operating Surplus - Schedule 1	7
Schedule of Tangible Capital Assets - Schedule 2	8
Schedule of Property and Other Taxes - Schedule 3	9
Schedule of Government Transfers - Schedule 4	10
Schedule of Expenditures by Object - Schedule 5	11
Schedule of Segmented Disclosure - Schedule 6	12
Notes to Financial Statements	13 - 22

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Summer Village of Yellowstone (the "Organization") 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 Organization's financial position as at December 31, 2023 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 estimates 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 respects.

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 Organization Council carries out its responsibilities for review of the financial statements principally through its meeting with management. This Council meets regularly with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

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

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

Kim Hanlan

Chief Administrative Officer

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

Opinion

We have audited the financial statements of the Summer Village of Yellowstone (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the results of its operations, changes in its net financial assets and cash flows for the years 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 Organization as at December 31, 2023, and 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 Organization 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 Organization'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 liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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.

INDEPENDENT AUDITOR'S REPORT - continued

Auditor's Responsibility for the Audit of the Financial Statements - continued

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 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 Organization'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 Organization'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 Organization 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.

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

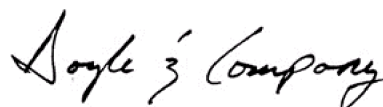
Debt Limit Regulation

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 Entity's debt limit can be found in note 6.

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.

April 5, 2024
11210 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

Summer Village of Yellowstone

Statement of Financial Position

As at December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	440,957	344,392
Receivables		
Taxes and grants in place of taxes (Note 3)	10,643	8,751
Grants and receivables from other government (Note 3)	19,201	47,034
Trade and other receivables	-	313
	470,801	400,490
LIABILITIES		
Accounts payable and accrued liabilities	6,000	20,573
Deferred revenue (Note 4)	19,245	3,515
Asset retirement obligation (Note 5)	6,953	-
	32,198	24,088
NET FINANCIAL ASSETS	438,603	376,402
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	1,061,507	1,097,363
Prepaid expenses	155	155
	1,061,662	1,097,518
ACCUMULATED OPERATING SURPLUS (Schedule 1 , Note 10)	1,500,265	1,473,920

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone

Statement of Operations

For the year ended December 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	324,719	313,362	292,954
User fees	1,400	1,375	1,595
Government transfers for operating (Schedule 4)	13,318	27,889	13,336
Investment income	9,730	19,055	12,693
Penalties and costs of taxes	6,300	10,348	6,995
Franchise fees & concession contracts	3,500	3,027	3,154
	358,967	375,056	330,727
EXPENSES			
General Government			
General administration	107,500	97,913	95,427
Council and other legislative	27,500	22,801	20,971
Protective Services			
Bylaw enforcement	12,000	14,637	12,268
Emergency services	18,150	8,122	13,978
Fire	18,250	15,812	24,163
Transportation			
Roads, streets, walks, lighting	96,900	87,753	84,409
Recreation and Culture			
Parks and recreation	28,269	32,368	25,653
Environmental Use and Protection			
Water supply and distribution	56,000	56,690	57,599
Wastewater treatment and disposal	1,700	-	1,415
Waste management	3,500	3,224	3,069
	369,769	339,320	338,952
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES BEFORE OTHER REVENUE (EXPENSES)	(10,802)	35,736	(8,225)
OTHER REVENUE (EXPENSES)			
Amortization of tangible capital assets	-	(48,913)	(34,747)
Accretion of asset retirement obligation	-	(394)	-
Government transfers for capital (Schedule 4)	53,126	39,916	435,217
	53,126	(9,391)	400,470
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	42,324	26,345	392,245
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		1,473,920	1,081,675
ACCUMULATED OPERATING SURPLUS, END OF YEAR		1,500,265	1,473,920

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Statement of Change in Net Financial Assets
For the year ended December 31, 2023Am

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	42,324	26,345	392,245
Acquisition of tangible capital assets	-	(13,057)	(562,760)
Amortization of tangible capital assets	-	48,913	34,747
	-	35,856	(528,013)
Use of prepaid assets	-	-	2
INCREASE (DECREASE) IN NET ASSETS	42,324	62,201	(135,766)
NET FINANCIAL ASSETS , BEGINNING OF YEAR	-	376,402	512,168
NET FINANCIAL ASSETS, END OF YEAR	-	438,603	376,402

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (Shortfall) of revenue over expenses	26,345	392,245
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	48,913	34,747
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	(1,892)	13,421
Decrease (increase) in other governments receivables	27,833	59,008
Decrease (increase) in trade and other receivables	313	194
Decrease (increase) in prepaid expenses	-	2
Increase (decrease) in payables and accrued liabilities	(14,573)	16,099
Increase (decrease) in deferred revenue	15,730	(390,000)
Cash provided by operating transactions	102,669	125,716
CAPITAL		
Acquisition of tangible capital assets	(13,057)	(562,760)
Increase in asset retirement obligation	6,953	-
Cash applied to capital transactions	(6,104)	(562,760)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	-	284,975
Cash provided by (applied to) investing transactions	-	284,975
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	96,565	(152,069)
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	344,392	496,461
CASH AND CASH EQUIVALENTS, END OF YEAR	440,957	344,392

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Schedule of Changes in Accumulated Operating Surplus - Schedule 1
For the year ended December 31, 2023

	Unrestricted Surplus \$	Operating Reserve \$	Capital Reserve \$	Equity in Tangible Capital Assets \$	2023 \$	2022 \$
Balance, Beginning of Year	44,092	97,986	234,479	1,097,363	1,473,920	1,081,675
Excess (shortfall) of revenue over expenses	26,345	-	-	-	26,345	392,245
Unrestricted funds designated for future use	(41,916)	-	41,916	-	-	-
Current years funds used for tangible capital assets	(13,057)	-	-	13,057	-	-
Annual amortization expenses	48,913	-	-	(48,913)	-	-
Asset retirement obligation accrued	6,559	-	-	(6,559)	-	-
Accretion expenses	394	-	-	(394)	-	-
	27,238	-	41,916	(42,809)	26,345	392,245
Balance, End of Year	71,330	97,986	276,395	1,054,554	1,500,265	1,473,920

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Schedule of Tangible Capital Assets - Schedule 2
For the year ended December 31, 2023

	Land	Land	Buildings	Engineered	Motor	Machinery and	2023	2022
	Land	Improvements	Buildings	Structures	Vehicles	Equipment	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
COST:								
Balance, Beginning of Year	272,094	96,184	137,261	889,646	11,000	57,424	1,463,609	900,849
Acquisition of tangible capital assets	-	4,200	6,559	-	-	2,298	13,057	568,060
Disposal of tangible capital assets	-	-	-	-	-	-	-	(5,300)
Balance, End of Year	272,094	100,384	143,820	889,646	11,000	59,722	1,476,666	1,463,609
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	57,444	51,660	219,448	10,395	27,299	366,246	331,499
Annual amortization	-	3,002	2,876	33,575	605	8,855	48,913	34,747
Balance, End of Year	-	60,446	54,536	253,023	11,000	36,154	415,159	366,246
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	272,094	39,938	89,284	636,623	-	23,568	1,061,507	1,097,363
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	272,094	38,740	85,601	670,198	-	605	30,125	1,097,363

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Schedule of Property and Other Taxes - Schedule 3
For the year ended December 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
TAXATION			
Real property taxes	317,040	310,325	290,227
Linear property taxes	3,266	3,794	3,266
Special assessments and local improvement taxes	103,275	103,275	98,201
	423,581	417,394	391,694
REQUISITIONS			
Alberta School Foundation Fund	91,100	95,936	91,083
Lac Ste. Anne Foundation	7,750	8,096	7,657
	98,850	104,032	98,740
NET MUNICIPAL TAXES	324,731	313,362	292,954

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Schedule of Government Transfers - Schedule 4
For the year ended December 31, 2023

Budget	2023 Actual (Unaudited) \$	2023 Actual \$	2022 \$
TRANSFERS FOR OPERATING			
Provincial Government	13,318	27,889	13,336
TRANSFERS FOR CAPITAL			
Provincial Government	53,126	39,916	51,810
Revenue deferred from prior period	-	-	383,407
	53,126	39,916	435,217
TOTAL GOVERNMENT TRANSFERS	66,444	67,805	448,553

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Schedule of Expenses by Object - Schedule 5
For the year ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
EXPENSES BY OBJECT			
Salaries, wages and benefits	500	1,768	265
Contracted and general services	338,469	300,958	306,804
Materials, goods, and utilities	24,000	22,697	25,097
Transfer to local boards and agencies	6,600	13,658	6,592
Bank charges and short-term interest	200	239	194
Amortization of tangible capital assets	-	48,913	34,747
Accretion of asset retirement obligation	-	394	-
TOTAL EXPENSES	369,769	388,627	373,699

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone
Schedule of Segmented Disclosure - Schedule 6
For the year ended December 31, 2023

	General Government	Protective Services	Transportation Services	Environmental Services	Recreation & Culture	Planning & Development	2023 \$
REVENUE							
Net municipal taxes	313,362	-	-	-	-	-	313,362
Government transfers	16,144	-	-	-	11,745	-	27,889
User fees and sale of goods	550	-	-	-	825	-	1,375
Franchises and concession contracts	3,027	-	-	-	-	-	3,027
Investment income	19,055	-	-	-	-	-	19,055
Penalties and costs on taxes	10,348	-	-	-	-	-	10,348
	362,486	-	-	-	12,570	-	375,056
EXPENSES							
Salaries, wages and benefits	1,768	-	-	-	-	-	1,768
Contracted and general services	118,707	38,571	65,056	59,914	10,478	8,232	300,958
Materials, goods and utilities	-	-	22,697	-	-	-	22,697
Transfers to local boards and agencies	-	-	-	-	13,658	-	13,658
Bank charges and short-term interest	239	-	-	-	-	-	239
Balance, End of Year	120,714	38,571	87,753	59,914	24,136	8,232	339,320
EXCESS (SHORTFALL) OF REVENUE BEFORE OTHER ITEMS							
	241,772	(38,571)	(87,753)	(59,914)	(11,566)	(8,232)	35,736
Amortization	(11,184)	-	(33,575)	(605)	(3,549)	-	(48,913)
Accretion expense	(394)	-	-	-	-	-	(394)
Capital government transfers	-	-	39,916	-	-	-	39,916
EXCESS (SHORTFALL) OF REVENUE	230,194	(38,571)	(81,412)	(60,519)	(15,115)	(8,232)	26,345

The accompanying notes form part of these financial statements.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

DESCRIPTION OF OPERATIONS

The Summer Village of Yellowstone (the "Organization") is a local government authority providing municipal services. The Summer Village of Yellowstone is empowered through bylaws and policies approved by Council and pursuant to the Municipal Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Yellowstone are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Summer Village of Yellowstone are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and changes in financial position of the reporting entity.

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.

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 record 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 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 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 assets are acquired.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting principles 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.

d) Valuation of Financial Assets and Liabilities

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

<u>Financial Statement Component Measurement</u>	<u>Measurement</u>
Cash and temporary investments	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Cash and Temporary Investments

Cash and temporary investments consists of bank deposits and savings accounts with a term of three (3) months or less.

(f) 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.

(g) 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.

(h) 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.

(i) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town 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.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 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.

(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.

i) 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:

	Years
Land improvements	10-25
Buildings	50
Engineered structures	
Roadway systems	10-30
Wastewater systems	75
Machinery and equipment	5-20
Vehicles	10

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value when the amount can reasonably be determined and would have been purchased by the Summer Village of Yellowstone, if not contributed, 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 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.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(l) Asset Retirement

A liability for an asset retirement obligation is recognized at the best estimate of the amounts required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the organization 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 organization reviews the carrying amount of the liability. The organization recognizes period-to-period changes to the liability due to the passage of time a 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 organization 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.

(m) Deferred Revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

(n) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year.

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.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

2. CASH AND TEMPORARY INVESTMENTS

	2023	2022
	\$	\$
Cash and temporary investments	440,957	344,392

Temporary investments are short-term deposits with original maturities of three months or less.

Council has designated cash and temporary investments for the funding of restricted reserves, including operating \$97,986 (2022 - \$97,986) and capital \$276,395 (2022 - \$234,479), totaling \$374,381 (2022 - \$332,465).

3. RECEIVABLES

	2023	2022
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	10,643	8,751
ii) Trade and other receivables		
Goods and services tax receivable	5,625	33,824
Government receivable	13,576	13,210
	19,201	47,034

The Government receivable is comprised of the Federal Gas Tax Fund \$13,576 (2022 - \$13,210).

4. DEFERRED REVENUE

	Opening	Received	Recognized	2023	2022
	\$	\$	\$	\$	\$
Municipal Sustainability Initiative (MSI) - Capital	-	39,916	39,916	-	-
Canada Community Building Fund (CCBF)	-	13,576	-	13,576	-
Family and Community Support Services (FCSS)	-	11,745	11,745	-	-
Prepaid property taxes	3,515	5,669	3,515	5,669	3,515
	3,515	70,906	55,176	19,245	3,515

Municipal Sustainability Initiative (MSI)

Funding in the amount of \$56,060 was received in the current year from the Municipal Sustainability Initiative. Of the \$56,060 received, \$39,916 was from the capital component of the program and is restricted to eligible capital projects as approved under the funding agreement. The remaining \$16,144 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

5. ASSET RETIREMENT OBLIGATION

The Summer Village own buildings which contain asbestos and, therefore, the town is legally required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost in year 2047 of \$28,153. The estimated total liability of \$6,953 is based on the sum of discounted future cash flows for abatement activities using a discount rate of 6% and assuming annual inflation of 2%. It is management's opinion that these assumptions are reasonable in the circumstance as at December 31, 2023. The town has not designated assets for settling the abatement activities.

	2023	2023
	\$	January 1 \$
Balance, beginning of year	6,559	-
Increase in obligation	-	6,559
Accretion expense	394	-
Estimated total liability	6,953	6,559

6. DEBT LIMITS AND DEBT SERVICING LIMIT

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Summer Village of Yellowstone are to be disclosed as follow:

	2023	2022
	\$	\$
Total Debt Limit	562,584	496,091
Total Debt	-	-
Amount of debt limit unused	562,584	496,091
Debt Service Limit	93,764	82,682
Debt Service	-	-
Amount of debt service limit unused	93,764	82,682

The debt limit is calculated at 1.5 times revenue of the municipality excluding transfers from the governments of Alberta and Canada for the purposes of capital property (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 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.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principle and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

7. TANGIBLE CAPITAL ASSETS

	2023	2022
	\$	\$
Net Book Value		
Land	272,094	272,094
Land improvements	39,938	38,740
Buildings	89,284	85,601
Engineering structures		
Roadway system	525,883	557,161
Storm system	110,740	113,037
Machinery and equipment	23,568	30,125
Vehicles	-	605
	1,061,507	1,097,363

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
	\$	\$
Tangible capital assets (Schedule 2)	1,476,666	1,463,609
Accumulated amortization (Schedule 2)	(415,159)	(366,246)
Asset retirement obligation (Note 5)	(6,953)	-
	1,054,554	1,097,363

9. SEGMENTED DISCLOSURE

The Organization 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 6).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, fire, and police. Transportation includes roads, streets, walks and lighting. Recreation and culture includes parks and recreation, libraries, museums and halls. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Other includes: Planning and development which includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

10. ACCUMULATED OPERATING SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2023	2022
	\$	\$
Unrestricted surplus	71,330	44,092
Restricted surplus - operating		
Election	1,500	1,500
Fire	1,500	1,500
Legal	1,000	1,000
Residential taxes	79,192	79,192
Snow	3,000	3,000
Sustainability	10,294	10,294
Tree	1,500	1,500
Restricted surplus - capital		
Equipment replacement	2,500	2,500
General capital	70,322	30,406
Lagoon capital projects	87,476	87,476
Recreation & parks capital projects	8,561	6,561
Road projects	10,000	10,000
Waterworks	97,536	97,536
Equity in tangible capital assets (Note 8)	1,054,554	1,097,363
	1,500,265	1,473,920

11. COMMITMENTS

The Organization is committed to the West Inter-Lake District (WILD) Regional Water Services Commission project (the "Commission") to provide water supply services to participating municipalities. Phase 1 and 2 construction is complete and operational. The Commission has received funding approval for phase 3 and 4 construction phases. All participating municipalities are committed to contribute their proportionate share of construction costs when construction begins on the next phases. The Organization's share of these costs are \$4,702 (2022 - \$1,431).

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

12. 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:

	2023		2022	
	Salary (1)	Benefits & Allowances (2)	Total	Total
	\$	\$	\$	\$
Mayor:				
BAUER, D	5,300	-	5,300	4,175
BRADY, B	3,225	-	3,225	4,850
Councillors:				
JONES, D	1,175	-	1,175	2,525
CLARK, T	1,785	-	1,785	-
Chief Administrative Officer				
HANLAN, K	52,020	-	52,020	56,000
Designated Officers (3)	8,230	-	8,230	8,050
	71,735	-	71,735	75,600

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
- (3) The designated officers for the position of municipal assessor is Municipal Assessment (Dan Kanuka), Capital Region Assessment Services Commission (ARB), and Lac Ste. Anne County (SDAB).

13. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and temporary investments, restricted cash, taxes and grants in place of taxes receivable, grants and receivables from other governments, trade and other receivables, accounts payable and accrued liabilities. It is management's opinion that the Organization is not exposed to significant interest or currency risks arising from these financial instruments.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

Summer Village of Yellowstone

Notes to the Financial Statements

December 31, 2023

13. FINANCIAL INSTRUMENTS - continued

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss to the other party by failing to discharge an obligation. The Organization's main credit risk relates to its tax receivables and trade and other receivable. Credit is provided to tax payers and other clients in the normal course of operations and the accounts receivables are assessed by the Organization and they record any amounts that are not collectible in the allowance for doubtful accounts.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The bank account and investments of the Organization are subject to interest rate risk because changing interest rates impact the amount of interest earned and the cash flow.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to this risk mainly through its accounts payable and accrued liabilities, long-term debt, and obligation under capital lease. The Organization manages its liquidity risk by monitoring its operating cash flow requirements to ensure it has sufficient funds to meet its financial obligations.

14. BUDGETED FIGURES

Budget figures are included in the financial statements for information purposes and are unaudited. The budget was approved by Council.

15. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.