

SUMMERSIDE RESIDENTS ASSOCIATION

Financial Statements

Year Ended December 31, 2024

SUMMERSIDE RESIDENTS ASSOCIATION

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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Summerside Residents Association

Opinion

We have audited the financial statements of Summerside Residents Association (the "Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, changes in net 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Association 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 opinion.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 20, 2024.

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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

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*Denotes professional corporation

#102, 12750 – 127 St. NW, Edmonton Alberta T5L 1A5
Telephone (780) 482-3431 Fax: (780) 488-5710 Website: www.seniuk.com

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 Association'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 Association'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 Association 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
May 13, 2025


Seniuk and Marcato,
Chartered Professional Accountants

SUMMERSIDE RESIDENTS ASSOCIATION**Statement of Financial Position****December 31, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 2,002,411	\$ 1,228,538
Short term investments (Note 5)	-	500,000
Accounts receivable	10,928	4,245
Prepaid expenses	41,022	22,294
	2,054,361	1,755,077
CAPITAL ASSETS (Note 6)	2,491,773	2,467,541
	\$ 4,546,134	\$ 4,222,618
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 72,187	\$ 57,910
Goods and services tax payable	24,977	20,023
Wages payable	10,333	25,162
Short term debt (Note 7)	1,422,971	1,579,939
Deferred income (Note 8)	658,259	468,258
	2,188,727	2,151,292
NET ASSETS		
Unrestricted fund	1,118,606	1,183,727
Investment in capital assets fund	1,068,801	887,599
Capital reserve fund	170,000	-
	2,357,407	2,071,326
	\$ 4,546,134	\$ 4,222,618

COMMITMENTS (Note 9)

ON BEHALF OF THE ASSOCIATION

Ryan Devlin _____ Director

Luc Heath _____ Director

The accompanying notes form an integral part of these financial statements

SUMMERSIDE RESIDENTS ASSOCIATION**Statement of Revenues and Expenditures****Year Ended December 31, 2024**

	2024	2023
REVENUES		
Membership fees	\$ 1,965,548	\$ 1,912,114
Program income	119,614	136,399
Beach Club rental	72,365	77,906
Other income	41,112	40,153
Interest income	43,282	10,444
	2,241,921	2,177,016
EXPENSES		
Advertising and promotion	263	522
Amortization	108,337	103,975
Business taxes, licences and memberships	3,333	2,342
Insurance	35,692	34,060
Interest and bank charges	896	698
Interest on short term debt	109,792	123,655
Administration	121,148	140,431
Program expenses	86,819	67,597
Professional fees	38,749	33,860
Property taxes	138,434	120,480
Repairs and maintenance	66,353	81,865
Facility and park operations	208,435	125,873
Salaries, wages and benefits	903,667	822,795
Utilities	114,689	157,643
	1,936,607	1,815,796
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	305,314	361,220
OTHER INCOME (EXPENSES)		
Loss on writedown of capital assets	(19,233)	-
EXCESS OF REVENUES OVER EXPENSES	\$ 286,081	\$ 361,220

The accompanying notes form an integral part of these financial statements

SUMMERSIDE RESIDENTS ASSOCIATION**Statement of Changes in Net Assets****Year Ended December 31, 2024**

	Unrestricted Fund	Investment in Capital Assets Fund	Capital Reserve Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 1,183,727	\$ 887,599	\$ -	\$ 2,071,326	\$ 1,710,106
EXCESS OF REVENUES OVER EXPENSES	394,418	(108,337)	-	286,081	361,220
Purchase of capital assets	(151,804)	151,804	-	-	-
Write down of capital assets	19,233	(19,233)	-	-	-
Principle repayments on debt	(156,968)	156,968	-	-	-
Transfer to Capital Reserve Fund	(170,000)	-	170,000	-	-
NET ASSETS - END OF YEAR	\$ 1,118,606	\$ 1,068,801	\$ 170,000	\$ 2,357,407	\$ 2,071,326

The accompanying notes form an integral part of these financial statements

SUMMERSIDE RESIDENTS ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 286,081	\$ 361,220
Items not affecting cash:		
Amortization of capital assets	108,337	103,975
Loss on write down of capital assets	19,233	-
	413,651	465,195
Changes in non-cash working capital:		
Accounts receivable	(6,683)	5,078
Accounts payable and accrued liabilities	14,279	(84,697)
Deferred income	190,001	(181,146)
Prepaid expenses	(18,728)	706
Goods and services tax payable	4,954	20,033
Wages payable	(14,829)	(2,335)
	168,994	(242,361)
Cash flow from operating activities	582,645	222,834
INVESTING ACTIVITIES		
Purchase of capital assets	(151,804)	(48,497)
Proceeds from sale (purchase) of short term investments	500,000	(500,000)
Cash flow from (used by) investing activities	348,196	(548,497)
FINANCING ACTIVITY		
Repayment of short term debt	(156,968)	(143,107)
INCREASE (DECREASE) IN CASH FLOW	773,873	(468,770)
Cash - beginning of year	1,228,538	1,697,308
CASH - END OF YEAR	\$ 2,002,411	\$ 1,228,538
CASH CONSISTS OF:		
Cash	\$ 2,002,411	\$ 1,228,538

The accompanying notes form an integral part of these financial statements

SUMMERSIDE RESIDENTS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

1. PURPOSE OF THE ASSOCIATION

The Summerside Residents Association (the "Association") was incorporated as a not-for-profit corporation on July 31, 2000 under Section 9 of the Companies Act of the Province of Alberta, R.S.A. 1980. As such, the Association is exempt from income tax under Section 149 of the Income Tax Act.

The Association owns and operates amenities for the use of its members, the residents of Summerside. On August 30, 2000, a turn-over agreement was entered into with Brookfield Residential (Alberta) LP ("Brookfield Residential"). The turn-over agreement specified that on the effective date, Brookfield Residential will deliver to the Association: land titles to the private parcels, a bill of sale for all the chattels owned by Brookfield Residential and used in the operation of the private parcels and reserves, and a transfer of all the encumbrances for each property in the community. The effective date of the turn-over agreement was September 24, 2020.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Fund Accounting

For financial reporting purposes, the accounts of the Association have been classified into funds.

The Unrestricted Fund accounts for the Association's general operations and administration. It reports unrestricted contributions and revenues, as well as related expenses, which are not designated for specific purposes by external parties or internally by the board of directors.

The Investment in Capital Assets Fund represents the net book value of the Association's capital assets less any related debt. This fund reflects the Association's net investment in capital assets and changes in this fund include the purchase or disposal of capital assets, amortization expenses, and changes in debt related to capital assets.

The Association maintains a Capital Reserve Fund to provide for the repair and replacement of the Association's property. All transfers to and expenditures from this fund are approved by the board of directors.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include:

- Prepaid expenses;

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SUMMERSIDE RESIDENTS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- Useful life for amortization of capital assets; and
- Estimated accrued payables.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances held at financial institutions. These amounts are readily available to meet the organization's operational needs.

Short-term investments

Short-term investments consist of fixed income securities and other financial instruments that are readily convertible to known amounts of cash and have maturities of one year or less from the reporting date.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	5-15 years
Motor vehicles	5-15 years
Equipment	5-12 years
Maintenance/Safety Equipment	5-12 years
Office Furniture/Equipment	5-12 years
Computer equipment	1-5 years
Boats	5-10 years
Docks	5-10 years
Park Amenities	2-25 years

The Association regularly reviews its capital assets to eliminate obsolete items. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

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

Impairment of long lived assets

The Association 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.

Demand loans

The Association's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

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SUMMERSIDE RESIDENTS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Summerside Residents Association follows the deferral method of accounting for contributions. Contributions of capital assets or funds for the purchase of capital assets which are subject to amortization are deferred and amortized on the same basis as those capital assets. Contributions of capital assets or funds for the purchase of capital assets which are not subject to amortization, are recorded as a direct increase to net assets.

Membership fees are recognized as revenue in the year to which they relate. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Deferred revenues includes membership fees that arise from receipt of payments in advance of the period in which they were earned.

Program revenues, rental revenues, and interest are recorded on an accrual basis and recognized when amounts are known and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Grants and government assistance are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonable assured.

Leases

Rental payments under operating leases are expensed as incurred.

4. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and cash equivalents investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities. It is management's opinion that the Association is not exposed to significant currency risks arising from these financial instruments.

The Association 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

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Association's credit risk is primarily attributable to its accounts receivable. The accounts receivable represents annual charges not collected from members and government subsidies. The risk is mitigated due to the fact that the Association takes legal action on overdue accounts and places a lien on the property of the member and will collect the annual charge upon sale of the home if the member chooses not to pay the annual charge. The Association also has a number of members which minimizes the concentration of credit risk.

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SUMMERSIDE RESIDENTS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

4. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

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

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the Association's financial position, potentially increasing borrowing costs or reducing investment income. This risk can indirectly impact residents through higher future funding requirements. The Association is exposed to interest rate risk primarily through its variable interest rate on short term debt.

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

5. SHORT TERM INVESTMENTS

	2024	2023
1 Year non-redeemable GIC maturing on February 22, 2024 at 4.8% per annum	\$ -	\$ 500,000

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings	\$ 1,376,559	\$ 1,227,058	\$ 149,501	\$ 124,196
Equipment	289,753	214,765	74,988	86,031
Motor vehicles	74,190	60,004	14,186	20,689
Computer equipment	40,606	33,685	6,921	9,295
Boats	101,659	92,067	9,592	11,511
Docks	53,130	49,163	3,967	8,305
Park Amenities	538,525	336,035	202,490	186,352
Maintenance/Safety Equipment	105,178	102,695	2,483	1,912
Office Furniture/Equipment	80,693	68,048	12,645	4,250
Subtotal	2,660,293	2,183,520	476,773	452,541
Land	2,015,000	-	2,015,000	2,015,000
	\$ 4,675,293	\$ 2,183,520	\$ 2,491,773	\$ 2,467,541

SUMMERSIDE RESIDENTS ASSOCIATION**Notes to Financial Statements****Year Ended December 31, 2024****7. SHORT TERM DEBT**

	2024	2023
ATB loan bearing interest at prime plus .5% (effective rates: 2024 - 5.95%, 2023 - 7.73%) per annum, repayable in monthly blended payments of \$22,230. The loan matures on April 30, 2025 and is secured by a general security agreement covering the Association's present and after acquired property and floating charge on land. The loan is expected to be renewed each year and is callable on demand.	\$ 1,422,971	\$ 1,579,939

8. DEFERRED REVENUE

Deferred revenue is comprised of:

2024	2023 Balance	Fees Collected	Recognised in Revenue	2024 Balance
Membership Fees	\$ 453,260	\$ 2,158,701	\$ (1,965,548)	\$ 646,413
Program Revenue	8,248	119,958	(119,614)	8,592
Rental Revenue	6,750	68,869	(72,365)	3,254
	\$ 468,258	\$ 2,347,528	\$ (2,157,527)	\$ 658,259

2023	2022 Balance	Fees Collected	Recognised in Revenue	2023 Balance
Membership Fees	638,036	1,727,338	(1,912,114)	453,260
Program Revenue	7,457	137,190	(136,399)	8,248
Rental Revenue	3,912	80,744	(77,906)	6,750
	649,405	1,945,272	(2,126,419)	468,258

9. COMMITMENTS

The Association has commitments related to operating leases for office equipment and software. Payments expected over the remaining term of the leases are as follows

Contractual obligation repayment schedule:

2025	\$ 6,409
2026	3,317
	<u>\$ 9,726</u>

10. APPROVAL OF FINANCIAL STATEMENTS

The Board and management have approved these financial statements.

SUMMERSIDE RESIDENTS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

11. COMPARATIVE FIGURES

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

Signature: Ryan Devlin
Ryan Devlin (May 26, 2025 12:36 MDT)

Email: ryan.devlin@shaw.ca

Signature: Lucas Heath
Lucas Heath (May 26, 2025 11:31 MDT)

Email: l.heath@kbh.ca









Final 2024 financial statements-1

Final Audit Report

2025-05-26

Created:	2025-05-26
By:	Allistair Robinson (allistairrobinson05@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAtHM06fasBwZmMaaaK7ISffL6au-VRQAa

"Final 2024 financial statements-1" History

-  Document created by Allistair Robinson (allistairrobinson05@gmail.com)
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-  Agreement completed.
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