

SUMMER VILLAGE OF HALF MOON BAY
Financial Statements
For The Year Ended December 31, 2025

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Summer Village of Half Moon Bay

Opinion

We have audited the financial statements of Summer Village of Half Moon Bay (the Summer Village), which comprise the statement of financial position as at December 31, 2025, and the statements of annual surplus and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Summer Village as at December 31, 2025, and the results of its operations 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Summer Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' 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:

(continues)



Independent Auditors' Report to the Mayor and Council of Summer Village of Half Moon Bay *(continued)*

- 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 Summer Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Summer Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Summer Village 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
March 30, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To His Worship the Mayor and Members of Council of the Summer Village of Half Moon Bay

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

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

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

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Summer Village Council to express an opinion on the Summer Village's financial statements.

Mr. Tanner Evans
Chief Administrative Officer

SUMMER VILLAGE OF HALF MOON BAY

Statement of Financial Position

As At December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,851,431	\$ 978,380
Receivables (Note 2)	368,779	302,122
	<u>2,220,210</u>	<u>1,280,502</u>
LIABILITIES		
Accounts payable and accrued liabilities	24,440	14,476
Deposit liabilities	3,500	16,500
Deferred revenue (Note 3)	1,248,290	313,344
Due to other Sylvan Summer Villages (Note 4)	226,713	226,713
	<u>1,502,943</u>	<u>571,033</u>
NET FINANCIAL ASSETS	<u>717,267</u>	<u>709,469</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	982,233	1,053,888
Prepaid expenses	191	-
	<u>982,424</u>	<u>1,053,888</u>
ACCUMULATED SURPLUS (Schedule 1)	<u>\$ 1,699,691</u>	<u>\$ 1,763,357</u>
Contingencies (Note 7)		

ON BEHALF OF COUNCIL:

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY

Statement of Annual Surplus and Accumulated Surplus

For the Year Ended December 31, 2025

	2025 (Budget) (Note 12)	2025 (Actual)	2024 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 147,026	\$ 147,033	\$ 147,608
Interest	28,000	25,911	47,957
Government transfers for operating (Schedule 3)	9,838	9,838	9,838
Licenses and permits	1,259	2,348	2,196
Fines	576	2,091	750
Penalties and costs on taxes	2,000	1,936	1,480
Other	565	1,336	1,274
Sales and user charges (Schedule 4)	320	450	475
	<u>189,584</u>	<u>190,943</u>	<u>211,578</u>
EXPENSES			
Administration	76,164	81,054	64,974
Parks and recreation	14,069	66,394	37,593
Roads, streets, walks and lighting	24,619	39,966	28,265
Waste water treatment and disposal	10,687	16,669	13,792
Fire	10,383	16,052	14,461
Waste management	11,464	9,679	7,877
Legislative	13,921	9,123	12,731
Planning and development	1,300	7,674	13,317
Policing and bylaws enforcement	6,339	7,165	6,313
Culture: libraries, museums and halls	388	638	321
Family and community support services	249	195	-
	<u>169,583</u>	<u>254,609</u>	<u>199,644</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	20,001	(63,666)	11,934
OTHER REVENUE			
Government transfers for capital (Schedule 3)	-	-	174,377
ANNUAL SURPLUS (DEFICIT)	20,001	(63,666)	186,311
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,763,357</u>	<u>1,763,357</u>	<u>1,577,046</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,783,358</u>	<u>\$ 1,699,691</u>	<u>\$ 1,763,357</u>

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2025

	2025 (Budget) (Note 12)	2025 (Actual)	2024 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ 20,001	\$ (63,666)	\$ 186,311
Acquisition of tangible capital assets	(102,246)	-	(174,377)
Amortization of tangible capital assets	-	71,655	50,398
	(82,245)	7,989	62,332
Use of prepaid expenses	-	(191)	104
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(82,245)	7,798	62,436
NET FINANCIAL ASSETS, BEGINNING OF YEAR	709,469	709,469	647,033
NET FINANCIAL ASSETS, END OF YEAR	\$ 627,224	\$ 717,267	\$ 709,469

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY**Statement of Cash Flows****For The Year Ended December 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (63,666)	\$ 186,311
Non-cash items not included in annual surplus:		
Amortization	71,655	50,398
	<u>7,989</u>	<u>236,709</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(66,657)	(77,130)
Accounts payable and accrued liabilities	9,964	(14,163)
Deferred revenue	934,946	(96,093)
Deposit liabilities	(13,000)	(6,500)
Prepaid expenses	(191)	104
	<u>865,062</u>	<u>(193,782)</u>
Cash flow from operating activities	<u>873,051</u>	<u>42,927</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	-	(174,377)
INCREASE (DECREASE) IN CASH	873,051	(131,450)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	978,380	1,109,830
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,851,431</u>	<u>\$ 978,380</u>

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY
Schedule of Changes in Accumulated Surplus
For the Year Ended December 31, 2025

(Schedule 1)

	Unrestricted surplus (deficit)	Restricted surplus (Note 6)	Equity in tangible capital assets	2025	2024
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 57,702	\$ 878,480	\$ 827,175	\$ 1,763,357	\$ 1,577,046
Annual surplus (deficit)	(63,666)	-	-	(63,666)	186,311
Amortization of tangible capital assets	71,655	-	(71,655)	-	-
Transfers	(67,684)	67,684	-	-	-
ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR	\$ (1,993)	\$ 946,164	\$ 755,520	\$ 1,699,691	\$ 1,763,357

SUMMER VILLAGE OF HALF MOON BAY**Schedule of Property Taxes***(Schedule 2)***For the Year Ended December 31, 2025**

	2025 (Budget) (Note 12)	2025 (Actual)	2024 (Actual)
TAXATION			
Real property taxes	\$ 277,709	\$ 277,712	\$ 269,418
REQUISITIONS			
Alberta School Foundation Fund	130,683	130,679	121,810
NET MUNICIPAL PROPERTY TAXES	\$ 147,026	\$ 147,033	\$ 147,608

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY
Schedule of Government Transfers
For the Year Ended December 31, 2025

(Schedule 3)

	2025 (Budget) (Note 12)	2025 (Actual)	2024 (Actual)
TRANSFERS FOR OPERATING			
Provincial government conditional transfers	\$ 9,838	\$ 9,838	\$ 9,838
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	-	-	174,377
TOTAL GOVERNMENT TRANSFERS	\$ 9,838	\$ 9,838	\$ 184,215

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY
Schedule of Segmented Information
For the Year Ended December 31, 2025

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 26,664	\$ 13,775	\$ 22,974	\$ 32,291	\$ 26,348	\$ 24,981	\$ 147,033
Interest	25,911	-	-	-	-	-	25,911
Government transfers	9,838	-	-	-	-	-	9,838
All other	8,161	-	-	-	-	-	8,161
	<u>70,574</u>	<u>13,775</u>	<u>22,974</u>	<u>32,291</u>	<u>26,348</u>	<u>24,981</u>	<u>190,943</u>
EXPENSES							
Contracted and general services	28,319	13,775	18,100	32,291	26,348	11,602	130,435
Salaries, wages and benefits	39,381	-	4,874	-	-	5,390	49,645
Materials, goods, and supplies	2,874	-	-	-	-	-	2,874
	<u>70,574</u>	<u>13,775</u>	<u>22,974</u>	<u>32,291</u>	<u>26,348</u>	<u>16,992</u>	<u>182,954</u>
NET REVENUE, BEFORE AMORTIZATION							
Amortization	-	-	-	-	-	7,989	7,989
	(10,480)	(53,257)	(243)	(7,675)	-	-	(71,655)
NET REVENUE	<u>\$ (10,480)</u>	<u>\$ (53,257)</u>	<u>\$ (243)</u>	<u>\$ (7,675)</u>	<u>\$ -</u>	<u>\$ 7,989</u>	<u>\$ (63,666)</u>

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY
Schedule of Segmented Information
For the Year Ended December 31, 2024

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ -	\$ 5,914	\$ 20,532	\$ 20,589	\$ 21,668	\$ 78,905	\$ 147,608
Interest	47,957	-	-	-	-	-	47,957
Government transfers	9,838	-	-	-	-	-	9,838
All other	6,175	-	-	-	-	-	6,175
	<u>63,970</u>	<u>5,914</u>	<u>20,532</u>	<u>20,589</u>	<u>21,668</u>	<u>78,905</u>	<u>211,578</u>
EXPENSES							
Contracted and general services	\$ 20,235	\$ 5,914	\$ 17,987	\$ 20,589	\$ 21,668	\$ 15,838	\$ 102,231
Salaries, wages and benefits	31,305	-	2,545	-	-	10,211	44,061
Materials, goods, and supplies	2,954	-	-	-	-	-	2,954
	<u>54,494</u>	<u>5,914</u>	<u>20,532</u>	<u>20,589</u>	<u>21,668</u>	<u>26,049</u>	<u>149,246</u>
NET REVENUE, BEFORE AMORTIZATION	9,476	-	-	-	-	52,856	62,332
Amortization	(10,480)	(32,000)	(243)	(7,675)	-	-	(50,398)
NET REVENUE	<u>\$ (1,004)</u>	<u>\$ (32,000)</u>	<u>\$ (243)</u>	<u>\$ (7,675)</u>	<u>\$ -</u>	<u>\$ 52,856</u>	<u>\$ 11,934</u>

The accompanying notes are an integral part of these financial statements.

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

1. ACCOUNTING POLICIES

The financial statements of the Summer Village of Half Moon Bay (the "Summer Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Summer Village are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity (Summer Village). The entity is comprised of the municipal operations and all the organizations that are owned or controlled by the Summer Village and are, therefore, accountable to Summer Village for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

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

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Summer Village has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses 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.

The Village has used estimates to determine the useful lives of tangible capital assets.

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SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

1. ACCOUNTING POLICIES (continued)

(d) Valuation of Financial Assets and Liabilities

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost and amortized cost
Receivables	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost

(e) Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition. Cash and cash equivalents consists of an operating account at a financial institution.

(f) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs, the past transaction or event giving rise to the liability as occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

(g) 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.

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SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

1. ACCOUNTING POLICIES *(continued)*

(h) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowing. These levies are collectable from property owners for work performed by the Town and are recognized as revenue in the year the tax is levied.

(i) Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(j) 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 consolidated Change in Net Financial Assets for the year.

(k) 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:

Engineered structures:	
Roadway systems	10 - 25 years
Land improvements	15 years
Buildings	25 years
Machinery & equipment	5 - 10 years

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

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

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SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

1. ACCOUNTING POLICIES *(continued)*

(l) *New Accounting Standards not yet Adopted*

The following standards are effective for fiscal years beginning on or after April 1, 2026.

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

2. RECEIVABLES

	2025	2024
Government transfers	\$ 365,726	\$ 290,596
Goods and Services Tax	3,028	10,485
Trade and other	25	100
Taxes and grants in place of taxes	-	941
	<u>\$ 368,779</u>	<u>\$ 302,122</u>

3. DEFERRED REVENUE

Deferred revenue consists of government grant funding received which relate to expenditures that will be incurred in future periods.

	2024	Allocations	Expended	2025
Local Growth and Sustainability	\$ -	\$ 858,690	\$ -	\$ 858,690
Municipal Sustainability Initiative	146,108	-	-	146,108
Local Government Fiscal Framework	65,370	66,182	-	131,552
Canada Community-Building Fund	101,866	10,074	-	111,940
	<u>\$ 313,344</u>	<u>\$ 934,946</u>	<u>\$ -</u>	<u>\$ 1,248,290</u>

4. DUE TO (FROM) OTHER SYLVAN SUMMER VILLAGES

During 2021, the Summer Villages of Jarvis Bay, Norglenwold, Halfmoon Bay, Sunbreaker Cove, and Birchcliff entered into a Co-ownership Agreement ("the Agreement") for the purchase of a new Administration Building. Under the terms of this Agreement each of the five Summer Villages has a 20% interest in the new Administration Building.

In the event that any of the Summer Villages elect to sell either of the buildings, each of the Summer Village will proportionately receive a return of their initial contribution and all remaining proceeds will be divided equally.

	2025	2024
Due to other Sylvan Summer Villages		
Summer Village of Jarvis Bay	\$ 157,522	\$ 157,522
Summer Village of Norglenwold	69,191	69,191
	<u>\$ 226,713</u>	<u>\$ 226,713</u>

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

5. TANGIBLE CAPITAL ASSETS

	2025 Net Book Value	2024 Net Book Value
Engineered structures		
Roadways	\$ 175,388	\$ 182,754
Land improvements	442,113	486,331
Buildings	237,034	249,492
Land	107,001	107,001
Machinery and equipment	17,143	24,204
Vehicles	3,554	4,106
	<u>\$ 982,233</u>	<u>\$ 1,053,888</u>

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 331,943	\$ -	\$ -	\$ -	\$ 331,943
Buildings	311,438	-	-	-	311,438
Machinery and equipment	122,583	-	-	-	122,583
Land	107,001	-	-	-	107,001
Land improvements	671,488	-	-	-	671,488
Vehicles	5,519	-	-	-	5,519
	<u>\$ 1,549,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,549,972</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 149,189	\$ 7,366	\$ -	\$ -	\$ 156,555
Buildings	61,946	12,458	-	-	74,404
Machinery and equipment	98,379	7,061	-	-	105,440
Land improvements	185,157	44,218	-	-	229,375
Vehicles	1,413	552	-	-	1,965
	<u>\$ 496,084</u>	<u>\$ 71,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,739</u>

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

6. RESTRICTED SURPLUS

	2025	2024
Operating Reserves		
General	\$ 271,121	\$ 259,846
Tax rate stabilization	23,000	25,000
	<u>\$ 294,121</u>	<u>\$ 284,846</u>
Capital Reserves		
Water and sewer	\$ 527,333	\$ 516,346
Roads, streets, walks, lighting	118,000	71,590
Fleet replacement	5,710	4,710
Environmental	1,000	988
	<u>\$ 652,043</u>	<u>\$ 593,634</u>

7. CONTINGENCIES

- a) The Summer Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Summer Village could become liable for its proportionate shares 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 the losses are determined.
 - b) The Summer Village is a member of the Sylvan Lake Regional Wastewater Commission. Under the terms of this membership, the Summer Village is liable for its proportionate share of any losses incurred by the Commission. Any liability would be accounted for in the year the losses are determined.
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8. CONTRACTUAL OBLIGATIONS

- a) The Summer Village has entered into an agreement for assessment services for five years from April 2025 to March 2030. The cost of assessment services will be \$2,800 for each of the five years respectively.
 - b) The Summer Village has entered into an agreement for fire protection services for four years from 2024 to 2027. The cost of protection services will be \$5,550 for each of the four years respectively.
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9. SEGMENTED INFORMATION

The Summer Village provides a range of services to its citizens. 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.

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

10. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Summer Village be disclosed as follows:

	<u>2025</u>	<u>2024</u>
Total debt limit	\$ 286,415	\$ 317,367
Total debt	-	-
Total debt limit remaining	\$ 286,415	\$ 317,367
Service on debt limit	\$ 47,736	\$ 52,895
Service on debt	-	-
Total service on debt limit remaining	\$ 47,736	\$ 52,895

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 limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Summer Village. Rather, the financial statements must be interpreted as a whole.

11. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Summer Village is not exposed to significant interest or currency risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

Credit risk

The Summer Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Summer Village's credit risk.

Liquidity Risk

Liquidity risk is the risk that the Village will encounter difficulty in meeting obligations associated with its financial liabilities. The Village maintains cash balances to ensure that funds are available to meet current and forecasted financial requirements. Management continues to monitor the Village's liquidity position on a regular basis.

Interest rate risk

Interest rate risk is the risk that the Village's annual surplus will be affected by the fluctuation and degree of volatility in interest rates. The Village is exposed to interest rate risk primarily through its cash and investment balances.

SUMMER VILLAGE OF HALF MOON BAY

Notes to Financial Statements

Year Ended December 31, 2025

12. BUDGET FIGURES

The 2025 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on December 2, 2024. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

Budget figures are presented for information purposes only and are unaudited.

	2025 Budget	2025 Actual
Annual surplus	\$ 20,001	\$ (63,666)
Purchase of tangible capital assets	(102,246)	
Transfer (to) from reserves	82,245	(9,982)
	<u>\$ -</u>	<u>\$ (73,648)</u>

13. SALARIES AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits (2)	2025	2024
Mayor Johnston	\$ 3,000	\$ 122	\$ 3,122	\$ 3,907
Councillors				
Pashak	2,400	30	2,430	3,338
Remington	700	30	730	2,296
	<u>\$ 6,100</u>	<u>\$ 182</u>	<u>\$ 6,282</u>	<u>\$ 9,541</u>
Chief Administrative Officer:				
Evans	\$ 6,610	\$ 789	\$ 7,399	\$ 6,844
Designated Officer (Assessor)	<u>\$ 3,200</u>	<u>\$ -</u>	<u>\$ 3,200</u>	<u>\$ 3,200</u>

(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 Canada pension plan, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

(3) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
