SUMMER VILLAGE OF JARVIS BAY

Financial Statements

For The Year Ended December 31, 2025

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Summer Village of Jarvis Bay

Opinion

We have audited the financial statements of Summer Village of Jarvis 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, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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.

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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:

- 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
April 7, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Mayor and Members of Council of the Summer Village of Jarvis 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 JARVIS BAY
Statement of Financial Position
As At December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	**$ 1,810,890**	$ 2,160,570
Receivables *(Note 2)*	**558,750**	492,819
Due from other Sylvan Summer Villages *(Note 3)*	**546,900**	546,900
	2,916,540	3,200,289
LIABILITIES		
Accounts payable and accrued liabilities	**71,886**	52,822
Deposit liabilities	**48,500**	53,500
Deferred revenue *(Note 4)*	**384,067**	402,319
	504,453	508,641
NET FINANCIAL ASSETS	**2,412,087**	2,691,648
NON-FINANCIAL ASSETS		
Tangible capital assets *(Note 5)*	**1,574,677**	1,244,750
Prepaid expenses	**790**	-
	1,575,467	1,244,750
ACCUMULATED SURPLUS *(Schedule 1)*	**$ 3,987,554**	$ 3,936,398

Contingent liabilities *(Note 7)*

ON BEHALF OF COUNCIL:

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

SUMMER VILLAGE OF JARVIS BAY
Statement of Annual Surplus and Accumulated Surplus
For the Year Ended December 31, 2025

	2025 (Budget) *(Note 13)*	**2025 (Actual)**	2024 (Actual)
REVENUE			
Net municipal taxes *(Schedule 2)*	$ 454,528	**$ 454,527**	$ 453,267
Sales and user charges *(Schedule 4)*	72,081	**69,370**	69,718
Interest	70,200	**66,690**	106,142
Government transfers for operating *(Schedule 3)*	21,272	**21,272**	21,272
Penalties and costs on taxes	10,000	**10,430**	9,572
Licenses and permits	4,032	**9,109**	13,111
Fines	2,800	**8,428**	900
Other	1,000	**5,215**	3,289
	635,913	**645,041**	677,271
EXPENSES			
Administration	276,274	**256,381**	212,755
Roads, streets, walks and lighting	85,696	**110,390**	86,190
Wastewater treatment and disposal	68,959	**103,309**	100,601
Parks and recreation	66,508	**80,718**	84,762
Protective services	31,262	**42,799**	41,334
Environment	35,400	**30,511**	13,176
Policing	19,031	**29,804**	28,725
Waste management	27,439	**21,375**	26,640
Legislative	19,397	**17,896**	17,157
Disaster and emergency services	3,600	**3,578**	3,538
Library	2,400	**2,090**	2,010
Public health & welfare services	1,497	**785**	-
	637,463	**699,636**	616,888
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	(1,550)	**(54,595)**	60,383
OTHER INCOME			
Government transfers for capital	135,000	**105,751**	269,000
	135,000	**105,751**	269,000
ANNUAL SURPLUS	133,450	**51,156**	329,383
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,936,398	**3,936,398**	3,607,015
ACCUMULATED SURPLUS, END OF YEAR	$ 4,069,848	**$ 3,987,554**	$ 3,936,398

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

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

	2025 (Budget) *(Note 13)*	**2025 (Actual)**	2024 (Actual)
ANNUAL SURPLUS	$ 133,450	**$ 51,156**	$ 329,383
Acquisition of tangible capital assets	(635,000)	**(432,452)**	(281,205)
Amortization of tangible capital assets	-	**102,525**	89,361
	(501,550)	**(278,771)**	137,539
Use (acquisition) of prepaid expenses	-	**(790)**	137
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(501,550)	**(279,561)**	137,676
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,691,648	**2,691,648**	2,553,972
NET FINANCIAL ASSETS, END OF YEAR	$ 2,190,098	**$ 2,412,087**	$ 2,691,648

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

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

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	**$ 51,156**	$ 329,383
Non-cash item not included in excess of revenue over expenses:		
Amortization of tangible capital assets	**102,525**	89,361
	153,681	418,744
Changes in non-cash working capital balances related to operations:		
Receivables	**(65,931)**	(46,260)
Accounts payable and accrued liabilities	**19,064**	(2,413)
Deposit liabilities	**(5,000)**	8,500
Deferred revenue	**(18,252)**	(120,709)
Prepaid expenses	**(790)**	137
	(70,909)	(160,745)
Cash flow from operating activities	**82,772**	257,999
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(432,452)**	(281,205)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	**(349,680)**	(23,206)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**2,160,570**	2,183,776
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 1,810,890**	$ 2,160,570

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

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

(Schedule 1)

	Unrestricted surplus	Restricted surplus *(Note 6)*	Equity in tangible capital assets	**2025**	2024
ACCUMULATED SURPLUS - BEGINNING OF YEAR	$ 146,759	$ 1,997,989	$ 1,791,650	**$ 3,936,398**	$ 3,607,015
Annual surplus	51,156	-	-	**51,156**	329,383
Tangible capital asset purchases	(105,752)	(326,700)	432,452	**-**	-
Amortization of tangible capital assets	102,525	-	(102,525)	**-**	-
Transfers	(139,525)	139,525	-	**-**	-
ACCUMULATED SURPLUS - END OF YEAR	$ 55,163	$ 1,810,814	$ 2,121,577	**$ 3,987,554**	$ 3,936,398

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

	2025 (Budget) *(Note 13)*	**2025 (Actual)**	2024 (Actual)
TAXATION			
Real property taxes	$ 1,031,649	**$ 1,031,619**	$ 944,716
REQUISITIONS			
Alberta School Foundation Fund	577,121	**577,092**	491,449
NET MUNICIPAL TAXES	$ 454,528	**$ 454,527**	$ 453,267

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

SUMMER VILLAGE OF JARVIS BAY
Schedule of Government Transfers ***(Schedule 3)***
For the Year Ended December 31, 2025

	2025 (Budget) *(Note 13)*	**2025 (Actual)**	2024 (Actual)
TRANSFERS FOR OPERATING			
Provincial government conditional transfers	$ 21,272	**$ 21,272**	$ 21,272
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	135,000	**105,751**	269,000
TOTAL GOVERNMENT TRANSFERS	$ 156,272	**$ 127,023**	$ 290,272

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

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

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Roadways	Wastewater & Garbage	All Other	Total
REVENUE							
Taxation	$ 147,797	$ 54,418	$ 75,150	$ 69,393	$ 45,578	$ 62,191	$ 454,527
Interest	66,690	-	-	-	-	-	66,690
Sales and user charges	350	-	-	-	67,270	1,750	69,370
All other	-	-	-	-	-	33,182	33,182
Government transfers	21,272	-	-	-	-	-	21,272
	236,109	54,418	75,150	69,393	112,848	97,123	645,041
EXPENSES							
Contracted and general services	67,659	54,418	55,505	69,393	112,848	33,077	392,900
Salaries, wages and benefits	161,734	-	19,645	-	-	16,116	197,495
Materials, goods, and supplies	6,716	-	-	-	-	-	6,716
	$ 236,109	$ 54,418	$ 75,150	$ 69,393	$ 112,848	$ 49,193	$ 597,111
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	-	47,930	47,930
Amortization	(20,272)	(28,390)	(1,030)	(40,997)	(11,836)	-	(102,525)
NET REVENUE (DEFICIT)	$ (20,272)	$ (28,390)	$ (1,030)	$ (40,997)	$ (11,836)	$ 47,930	$ (54,595)

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

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

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Roadways	Wastewater & Garbage	All Other	Total
REVENUE							
Taxation	$ 64,444	$ 57,144	$ 72,567	$ 59,594	$ 48,153	$ 151,365	$ 453,267
Interest	106,142	-	-	-	-	-	106,142
Sales and user charges	625	-	-	-	67,253	1,840	69,718
All other	-	-	-	-	-	26,872	26,872
Government transfers	21,272	-	-	-	-	-	21,272
	192,483	57,144	72,567	59,594	115,406	180,077	677,271
EXPENSES							
Contracted and general services	$ 54,514	$ 57,144	$ 62,305	$ 59,594	$ 115,406	$ 16,304	$ 365,267
Salaries, wages and benefits	130,181	-	10,262	-	-	14,029	154,472
Materials, goods, and supplies	7,788	-	-	-	-	-	7,788
	192,483	57,144	72,567	59,594	115,406	30,333	527,527
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	-	149,744	149,744
Amortization	(20,272)	(29,628)	(1,030)	(26,595)	(11,836)	-	(89,361)
NET REVENUE (DEFICIT)	$ (20,272)	$ (29,628)	$ (1,030)	$ (26,595)	$ (11,836)	$ 149,744	$ 60,383

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

1. ACCOUNTING POLICIES

The financial statements of the Summer Village of Jarvis 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. 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.

Expenses 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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1. ACCOUNTING POLICIES *(continued)*

(d) *Valuation of Financial Assets and Liabilities*

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

Financial statement component	Measurement
Cash and cash equivalents	Cost and amortized cost
Trade and other 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 consist of an operating account at a financial institution.

(f) 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.

(g) Tax Revenue

Property tax revenue is recognized as revenue in the year it is levied.

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

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1. ACCOUNTING POLICIES *(continued)*

(h) *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.

(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 Summer Village 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.

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1. ACCOUNTING POLICIES *(continued)*

(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:

Land improvements	30 years
Engineered structures:	
Wastewater system	75 years
Roadway system	10 years
Machinery, equipment and furnishings	10 years
Buildings	25 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.

(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.

A new presentation standard, PS 1202, will be adopted at the same time that includes changes to the presentation of the statements of financial position, net financial assets or net debt, net assets, including a reconciliation of each component of net assets, and cash flows.

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

2. RECEIVABLES

	2025	2024
Government transfers	**$ 516,796**	$ 447,235
Goods and Services Tax	**29,776**	19,658
Taxes and grants in place of taxes	**10,606**	26,736
Trade and other	**1,572**	(810)
	$ 558,750	$ 492,819

3. DUE 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 from other Sylvan Summer Villages		
Due From Half Moon Bay	**$ 157,553**	$ 157,553
Due from Sunbreaker Cove	**157,523**	157,523
Due from Birchcliff	**150,522**	150,522
Due from Norglenwold	**81,302**	81,302
	$ 546,900	$ 546,900

4. DEFERRED REVENUE

	2024	Funds Received	Funds Utilized	**2025**
Municipal Sustainability Initiative	$ 318,572	$ -	$ (105,751)	**$ 212,821**
Local Government Fiscal Framework	83,747	87,499	-	**171,246**
	$ 402,319	$ 87,499	$ (105,751)	**$ 384,067**

5. TANGIBLE CAPITAL ASSETS

	2025 Net Book Value	2024 Net Book Value
Engineered structures		
Roadways	**$ 602,101**	$ 311,706
Wastewater systems	**376,220**	388,056
	978,321	699,762
Land improvements	**254,554**	183,827
Buildings	**225,641**	241,554
Machinery and equipment	**93,981**	95,085
Vehicles	**15,080**	17,422
Land	**7,100**	7,100
	$ 1,574,677	$ 1,244,750

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	$ 1,095,090	$ 326,700	$ 122,388	$ -	$ 1,299,402
Wastewater systems	586,824	-	-	-	586,824
	1,681,914	326,700	122,388	-	1,886,226
Buildings	326,579	-	-	-	326,579
Machinery and equipment	126,617	10,790	-	-	137,407
Land	7,100	-	-	-	7,100
Land improvements	371,971	94,962	-	-	466,933
Vehicles	23,417	-	-	-	23,417
	$ 2,537,598	$ 432,452	$ 122,388	$ -	$ 2,847,662

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	$ 783,384	$ 36,305	$ (122,388)	$ -	$ 697,301
Wastewater systems	198,768	11,836	-	-	210,604
	982,152	-	(122,388)	-	859,764
Buildings	85,025	15,913	-	-	100,938
Machinery and equipment	31,532	11,894	-	-	43,426
Land improvements	188,144	24,235	-	-	212,379
Vehicles	5,995	2,342	-	-	8,337
	$ 1,292,848	$ 102,525	$ (122,388)	$ -	$ 1,272,985

6. RESERVES

	2025	2024
Operating Reserves		
General contingencies	**$ 353,248**	$ 346,893
Environmental	**227,166**	249,255
Tax rate stabilization	**70,000**	70,000
	650,414	666,148
Capital Reserves		
Water & sewer	**469,134**	419,134
Capital replacement	**267,140**	242,140
Infrastructure	**158,230**	108,230
Roads, streets, walks, lighting	**129,661**	456,362
Enforcement	**56,369**	38,109
Twin Fawns walkway bridge	**39,000**	39,000
Fleet replacement	**21,266**	9,266
Information technology & facilities	**13,000**	13,000
Jarvis Glen street lights	**6,600**	6,600
	1,160,400	1,331,841
	$ 1,810,814	$ 1,997,989

7. CONTINGENT LIABILITIES

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.

8. DEBT LIMITS

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

	2025	2024
Total debt limit	**$ 967,562**	$ 1,015,907
Total debt	**-**	-
Total debt limit remaining	**$ 967,562**	$ 1,015,907
Service on debt limit	**$ 161,260**	$ 169,318
Service on debt	**-**	-
Total service on debt limit remaining	**$ 161,260**	$ 169,318

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.

9. FINANCIAL INSTRUMENTS

The Summery 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, currency or credit 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.

10. 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.

11. CONTRACTUAL OBLIGATIONS

a) The Summer Village has entered into an agreement for basic assessment services for a five year term commencing April 2025 through March 2030. The cost of assessment services will be $6,600 per year over the five years.

b) The Summer Village has entered into an agreement for fire protection services for three years from 2024 to 2027. The cost of these services will be $13,125 for each of the three years respectively.

c) The Summer Village has entered into agreements for waste and recycle collections services for four years from 2023 to 2027. The cost of these services will be approximately $28,100 for each of the four years respectively.

12. 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 Maplethorpe	$ 9,444	$ 426	**$ 9,870**	$ 7,621
Councillors				
Garratt	2,260	25	**2,285**	2,808
Wiseman	1,440	-	**1,440**	3,000
	$ 13,144	$ 451	**$ 13,595**	$ 13,429
Chief Administrative Officer				
Evans	$ 26,647	$ 3,179	**$ 29,826**	$ 27,590
Designated Officer				
(Assessor)	$ 7,000	$ -	**$ 7,000**	$ 7,000

(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 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.

13. BUDGET FIGURES

The 2025 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on December 3, 2024. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2025 Budget	**2025 Actual**
Annual surplus	$ 133,450	**$ 51,156**
Amortization expense	-	**102,525**
Purchase of tangible capital assets	(635,000)	**(432,452)**
Transfer (to) from reserves	501,550	**187,175**
	$ -	**$ (91,596)**

The Summer Village does not provide for amortization in its operating budget.

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.