SUMMER VILLAGE OF NORGLENWOLD

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 Norglenwold

Opinion

We have audited the financial statements of Summer Village of Norglenwold (the Summer Village), which comprise the statement of financial position as at December 31, 2025, and the statements of operations 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 24, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Mayor and Council of the Summer Village of Norglenwold

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.

Tanner Evans
Chief Administrative Officer

SUMMER VILLAGE OF NORGLENWOLD
Statement of Financial Position
As At December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	**$ 2,475,495**	$ 2,514,106
Receivables *(Note 2)*	**542,634**	354,963
Due from Sylvan Summer Villages *(Note 3)*	**207,571**	207,571
	3,225,700	3,076,640
LIABILITIES		
Accounts payable and accrued liabilities	**96,482**	59,611
Due to other Sylvan Summer Villages *(Note 3)*	**81,333**	81,333
Deposits	**53,996**	50,995
Deferred revenue *(Note 4)*	**400,081**	328,727
	631,892	520,666
NET FINANCIAL ASSETS	**2,593,808**	2,555,974
NON-FINANCIAL ASSETS		
Tangible capital assets *(Note 5)*	**3,797,374**	3,908,429
Prepaid expenses	**4,120**	16,121
	3,801,494	3,924,550
ACCUMULATED SURPLUS *(Schedule 1)*	**$ 6,395,302**	$ 6,480,524

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 NORGLENWOLD
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2025

	2025 (Budget) *(Note 13)*	**2025 (Actual)**	2024 (Actual)
REVENUE			
Net municipal taxes *(Schedule 2)*	$ 535,041	**$ 535,083**	$ 514,691
Sales and user charges *(Schedule 4)*	93,200	**93,600**	93,600
Interest	80,251	**77,001**	126,472
Government transfers for operating *(Schedule 3)*	22,838	**72,938**	25,088
Franchise and concession contracts	9,974	**12,712**	12,967
Fines	2,944	**10,632**	563
Licenses and permits	4,293	**9,098**	8,951
Penalties and costs on taxes	5,000	**7,212**	6,088
Other	1,000	**770**	3,071
	754,541	**819,046**	791,491
EXPENSES			
Administration	319,639	**304,696**	247,728
Roads, streets, walks and lighting	86,677	**186,532**	122,748
Waste water treatment and disposal	83,813	**124,455**	105,641
Protective services	63,229	**98,921**	82,727
Parks and recreation	27,045	**75,020**	56,029
Waste management	56,650	**56,995**	57,840
Legislative	45,523	**33,925**	36,049
Land use planning, zoning and development	22,000	**15,716**	72,662
Disaster and emergency services	4,300	**4,043**	3,832
Culture: libraries, museums and halls	2,831	**3,002**	2,525
Family and community support	1,833	**963**	68
	713,540	**904,268**	787,849
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	41,001	**(85,222)**	3,642
OTHER REVENUE			
Government transfers for capital *(Schedule 3)*	60,000	**-**	20,000
ANNUAL SURPLUS (DEFICIT)	101,001	**(85,222)**	23,642
ACCUMULATED SURPLUS, BEGINNING OF YEAR	6,480,524	**6,480,524**	6,456,882
ACCUMULATED SURPLUS, END OF YEAR	$ 6,581,525	**$ 6,395,302**	$ 6,480,524

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

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

	2025 (Budget) *(Note 13)*	**2025 (Actual)**	2024 (Actual)
ANNUAL SURPLUS (DEFICIT)	$ 101,001	**$ (85,222)**	$ 23,642
Acquisition of tangible capital assets	(142,093)	**-**	(143,014)
Amortization of tangible capital assets	-	**111,055**	104,410
	(41,092)	**25,833**	(14,962)
Use (acquisition) of prepaid expenses	-	**12,001**	(14,624)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(41,092)	**37,834**	(29,586)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,555,974	**2,555,974**	2,585,560
NET FINANCIAL ASSETS, END OF YEAR	$ 2,514,882	**$ 2,593,808**	$ 2,555,974

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

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

	2025	2024
OPERATING ACTIVITIES		
Annual surplus (deficit)	**$ (85,222)**	$ 23,642
Non-cash item not included in annual surplus:		
Amortization of tangible capital assets	**111,055**	104,410
	25,833	128,052
Changes in non-cash working capital balances related to operations:		
Receivables	**(187,671)**	(90,507)
Accounts payable and accrued liabilities	**36,871**	(52,198)
Deferred revenue	**71,354**	96,746
Deposit liabilities	**3,001**	5,000
Prepaid expenses	**12,001**	(14,624)
	(64,444)	(55,583)
Cash flow from (used by) operating activities	**(38,611)**	72,469
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**-**	(143,014)
DECREASE IN CASH AND CASH EQUIVALENTS	**(38,611)**	(70,545)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**2,514,106**	2,584,651
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 2,475,495**	$ 2,514,106

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

Statement 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	$ 98,219	$ 2,347,638	$ 4,034,667	**$ 6,480,524**	$ 6,456,882
Annual surplus (deficit)	(85,222)	-	-	**(85,222)**	23,642
Amortization of tangible capital assets	111,055	-	(111,055)	**-**	-
Transfers	(68,241)	68,241	-	**-**	-
ACCUMULATED SURPLUS - END OF YEAR	$ 55,811	$ 2,415,879	$ 3,923,612	**$ 6,395,302**	$ 6,480,524

SUMMER VILLAGE OF NORGLENWOLD
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	$ 1,239,918	**$ 1,239,914**	$ 1,117,339
REQUISITIONS			
Alberta School Foundation Fund	704,877	**704,831**	602,648
NET MUNICIPAL PROPERTY TAXES	$ 535,041	**$ 535,083**	$ 514,691

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

SUMMER VILLAGE OF NORGLENWOLD
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 governmentconditional transfers	$ 22,838	**$ 72,938**	$ 25,088
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	60,000	-	20,000
TOTAL GOVERNMENT TRANSFERS	$ 82,838	**$ 72,938**	$ 45,088

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

SUMMER VILLAGE OF NORGLENWOLD
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	$ 183,169	$ 46,523	$ 89,637	$ 103,021	$ 58,106	$ 54,627	$ 535,083
Sales and user charges	450	-	-	-	93,150	-	93,600
Interest	77,001	-	-	-	-	-	77,001
Government transfers	22,838	-	-	50,100	-	-	72,938
All other	770	-	10,632	-	-	21,810	33,212
Penalties and costs on taxes	7,212	-	-	-	-	-	7,212
	291,440	46,523	100,269	153,121	151,256	76,437	819,046
EXPENSES							
Contracted services	91,447	46,523	76,185	146,594	151,256	20,104	532,109
Salaries, wages and benefits	189,676	-	24,084	-	-	30,500	244,260
Materials, goods, supplies, and utilities	10,317	-	-	6,527	-	-	16,844
	$ 291,440	$ 46,523	$ 100,269	$ 153,121	$ 151,256	$ 50,604	$ 793,213
NET REVENUE (DEFICIT), BEFORE AMORTIZATION	-	-	-	-	-	25,833	25,833
Amortization	(13,256)	(31,499)	(2,695)	(33,411)	(30,194)	-	(111,055)
NET REVENUE (DEFICIT)	$ (13,256)	$ (31,499)	$ (2,695)	$ (33,411)	$ (30,194)	$ 25,833	$ (85,222)

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

SUMMER VILLAGE OF NORGLENWOLD
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	$ 72,854	$ 27,055	$ 83,301	$ 95,982	$ 40,587	$ 194,912	$ 514,691
Interest	126,472	-	-	-	-	-	126,472
Sales and user charges	900	-	-	-	92,700	-	93,600
All other	3,070	-	563	-	-	21,919	25,552
Government transfers	25,088	-	-	-	-	-	25,088
Penalties and costs on taxes	6,088	-	-	-	-	-	6,088
	234,472	27,055	83,864	95,982	133,287	216,831	791,491
EXPENSES							
Contracted services	$ 72,315	$ 27,055	$ 71,258	$ 87,650	$ 133,287	$ 75,678	$ 467,243
Salaries, wages and benefits	152,602	-	12,606	-	-	33,102	198,310
Materials, goods, supplies, and utilities	9,555	-	-	8,332	-	-	17,887
	234,472	27,055	83,864	95,982	133,287	108,780	683,440
NET REVENUE (DEFICIT), BEFORE AMORTIZATION	-	-	-	-	-	108,051	108,051
Amortization	(13,256)	(31,499)	(2,695)	(26,766)	(30,194)	-	(104,410)
NET REVENUE (DEFICIT)	$ (13,256)	$ (31,499)	$ (2,695)	$ (26,766)	$ (30,194)	$ 108,051	$ 3,641

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

1. ACCOUNTING POLICIES

The financial statements of the Summer Village of Norglenwold (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
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 consists 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 property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Summer Village and are recognized as revenue in the year they are 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	**$ 422,930**	$ 301,476
Trade and other	**84,226**	32,290
Goods and Services Tax rebate	**29,291**	19,790
Taxes and grants in place of taxes	**6,187**	1,407
	$ 542,634	$ 354,963

3. DUE FROM / TO 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		
Half Moon Bay	**$ 69,190**	$ 69,190
Birchcliff	**69,190**	69,190
Sunbreaker Cove	**69,190**	69,190
	$ 207,570	$ 207,570

	2025	2024
Due to Summer Village of Jarvis Bay	**$ 81,333**	$ 81,333

Advances from / to other Summer Villages are non-interest bearing and have no set repayment terms.

4. DEFERRED REVENUE

Deferred revenue consists of funds received which relate to operating or capital costs of future periods.

	2024	Allocations	Funds Expended	2025
Local Government Fiscal Framework	$ 92,755	$ 97,869	$ -	**$ 190,624**
Municipal Sustainability Initiative	194,816	-	(50,100)	**144,716**
Canada Community-Building Fund	41,156	23,585	-	**64,741**
	$ 328,727	$ 121,454	$ (50,100)	**$ 400,081**

5. TANGIBLE CAPITAL ASSETS

	2025 Net Book Value	2024 Net Book Value
Engineered structures		
Water and wastewater systems	**$ 1,706,593**	$ 1,736,787
Roadways	**212,442**	244,216
	1,919,035	1,981,003
Land	**1,389,768**	1,389,768
Land improvements	**267,083**	300,313
Buildings	**175,768**	184,557
Vehicles	**28,362**	31,628
Machinery and equipment	**17,358**	21,160
	$ 3,797,374	$ 3,908,429

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	$ 1,702,125	$ -	$ -	$ -	$ 1,702,125
Water and wastewater systems	2,277,964	-	-	-	2,277,964
	3,980,089	-	-	-	3,980,089
Buildings	219,713	-	-	-	219,713
Machinery, equipment, and office furnishings	89,043	-	-	-	89,043
Land	1,389,768	-	-	-	1,389,768
Land improvements	682,734	-	-	-	682,734
Vehicles	65,069	-	-	-	65,069
	$ 6,426,416	$ -	$ -	$ -	$ 6,426,416

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	$ 1,457,909	$ 31,774	$ -	$ -	$ 1,489,683
Water and wastewater systems	541,177	30,194	-	-	571,371
	1,999,086	61,968	-	-	2,061,054
Buildings	35,156	8,789	-	-	43,945
Machinery, equipment, and office furnishings	67,883	3,802	-	-	71,685
Land improvements	382,421	33,230	-	-	415,651
Vehicles	33,441	3,266	-	-	36,707
	$ 2,517,987	$ 111,055	$ -	$ -	$ 2,629,042

6. RESERVES

	2025	2024
Operating Reserves		
General contingencies	**$ 239,341**	$ 250,000
Legal	**50,000**	50,000
	$ 289,341	$ 300,000
Capital Reserves		
Environment	**$ 971,440**	$ 969,387
Roads	**598,898**	449,354
Recreation	**500,000**	500,000
General	**30,000**	25,000
Infrastructure	**21,200**	98,897
Information technology & facilities	**5,000**	5,000
	2,126,538	2,047,638
Total Reserves	**$ 2,415,879**	$ 2,347,638

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. CONTRACTUAL OBLIGATIONS

The Summer Village has entered into an agreement for fire emergency response services with the Town of Sylvan Lake for a four year term commencing January 2024 expiring December 2027. The cost of services will be $18,225 annually.

The Summer Village has entered into an agreement for waste and recycle collection services for a five year term commencing January 2023 expiring December 2027. The estimated cost of these services is $46,000 annually.

9. SALARIES AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits (2)	**2025**	2024
Mayor				
Gurevitch (Jan - Jun)	$ 5,052	$ -	**$ 5,052**	$ 12,319
Miller (Jul - Dec)	4,315	239	**4,554**	-
Councilors				
Ludwig	5,838	313	**6,151**	12,402
Miller	4,050	224	**4,274**	7,780
Munro	3,963	183	**4,146**	-
Gurevitch	3,429	-	**3,429**	-
	$ 26,647	$ 959	**$ 27,606**	$ 32,501
Chief Administrative Officer				
Evans	$ 32,740	$ 3,906	**$ 36,646**	$ 33,898
Designated officer (assessor)	$ 7,300	$ -	**$ 7,300**	$ 7,300

(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.

10. FINANCIAL INSTRUMENTS

The Summer Village's financial instruments consist of cash, 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. The Village is exposed to interest rate risk primarily through its cash and investment balances.

11. 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.

12. 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	**$ 1,228,569**	$ 1,187,237
Total debt	**81,333**	81,333
Total debt limit remaining	**$ 1,147,236**	$ 1,105,904
Service on debt limit	**$ 204,762**	$ 197,873
Service on debt	**-**	-
Total service on debt limit remaining	**$ 204,762**	$ 197,873

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.

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 23, 2024. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2025 Budget	**2025 Actual**
Annual surplus (deficit)	$ 101,001	**$ (85,222)**
Amortization expense	-	**111,055**
Purchase of tangible capital assets	(142,093)	**-**
Transfer (to) from reserves	41,092	**(57,582)**
	$ -	**$ (31,749)**

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.