

**SUMMER VILLAGE OF NAKAMUN PARK**  
**Financial Statements**  
**Year Ended December 31, 2025**

# SUMMER VILLAGE OF NAKAMUN PARK

## Index to Financial Statements

Year Ended December 31, 2025

---

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Schedule of Property and Other Taxes ( <i>Schedule 1</i> )	8
Schedule of Government Transfers ( <i>Schedule 2</i> )	8
Schedule of Expenditures by Object ( <i>Schedule 3</i> )	8
Schedule of Changes in Accumulated Surplus ( <i>Schedule 4</i> )	9
Schedule of Segmented Disclosure ( <i>Schedule 5</i> )	10
Schedule of Tangible Capital Assets ( <i>Schedule 6</i> )	11
Notes to Financial Statements	12 - 24

---

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

---

Management of the municipality is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the municipality's financial position as of December 31, 2025, and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS). The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, and assets are properly accounted for and safeguarded. These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The municipality's council carries out its responsibilities for review of the financial statements principally through regular council meetings. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to council with and without the presence of management. The municipality's council has approved the financial statements.

The financial statements have been audited by the independent firm of Seniuk and Marcato, Chartered Professional Accountants, external auditors appointed by the municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's financial statements.

---

Wendy Wildman, CAO

Onoway, Alberta  
April 21, 2026

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Council of Summer Village of Nakamun Park

### *Opinion*

We have audited the financial statements of Summer Village of Nakamun Park (the "municipality"), 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the municipality in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *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 PSAS, 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 municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

*(continues)*

\*Denotes professional corporation

#102, 12750 – 127 St. NW, Edmonton Alberta T5L 1A5

Telephone (780) 482-3431 Fax: (780) 488-5710 Website: [www.seniuk.com](http://www.seniuk.com)

Independent Auditor's Report to the Members of Council of Summer Village of Nakamun Park (*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 municipality'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 municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
April 21, 2026

  
**Seniuk and Marcato,**  
**Chartered Professional Accountants**

**SUMMER VILLAGE OF NAKAMUN PARK****Statement of Financial Position****December 31, 2025**

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 226,286	\$ 118,976
Taxes and grants in place of taxes receivable <i>(Note 3)</i>	17,474	30,759
Grants and receivables from other governments <i>(Note 4)</i>	5,042	33,404
Trade and other receivables	274	-
	<b>249,076</b>	<b>183,139</b>
<b>LIABILITIES</b>		
Accounts payable	10,630	9,151
Deferred income <i>(Note 6)</i>	1	12,941
Long term debt <i>(Note 7)</i>	76,029	101,595
	<b>86,660</b>	<b>123,687</b>
NET FINANCIAL ASSETS	<b>162,416</b>	<b>59,452</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	303	324
Tangible capital assets <i>(Note 5)</i>	1,452,708	1,462,926
	<b>1,453,011</b>	<b>1,463,250</b>
<b>ACCUMULATED SURPLUS <i>(Schedule 4)</i></b>	<b>\$ 1,615,427</b>	<b>\$ 1,522,702</b>

CONTRACTUAL OBLIGATIONS *(Note 14)***APPROVED ON BEHALF OF COUNCIL**\_\_\_\_\_  
*Mayor*\_\_\_\_\_  
*Councilor*

**SUMMER VILLAGE OF NAKAMUN PARK**  
**Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2025**

	Budget (Unaudited) 2025	2025	2024
<b>REVENUES</b>			
Net municipal taxes (Schedule 1)	\$ 255,275	\$ 256,516	\$ 244,215
Government transfers for operating (Schedule 2)	21,562	24,690	20,090
Investment income	-	6,100	11,380
Penalties and costs of taxes	-	7,789	7,549
Licenses and permits	1,000	2,189	1,810
Other	50	7,079	2,997
	277,887	304,363	288,041
<b>EXPENSES</b>			
Administration and legislative	120,657	115,057	117,670
Protective services	41,513	41,534	45,569
Transportation services	74,079	91,678	99,248
Environmental services	2,312	2,092	2,282
Planning and development	13,854	25,093	24,790
Parks and recreation	15,900	30,904	27,175
	268,315	306,358	316,734
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	9,572	(1,995)	(28,693)
<b>OTHER INCOME (EXPENSES)</b>			
Government transfers for capital (Schedule 2)	63,661	94,720	71,274
Gain (loss) on disposal of tangible capital assets	-	-	2,500
	63,661	94,720	73,774
<b>ANNUAL SURPLUS</b>	73,233	92,725	45,081
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	1,522,702	1,522,702	1,477,621
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 1,595,935	\$ 1,615,427	\$ 1,522,702

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF NAKAMUN PARK**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2025**

	Budget 2025	2025	2024
<b>ANNUAL SURPLUS</b>	\$ 73,233	\$ <b>92,725</b>	\$ 45,081
Amortization of tangible capital assets	-	<b>35,449</b>	30,535
Purchase of tangible capital assets	(57,661)	<b>(25,231)</b>	(244,013)
Proceeds on disposal of tangible capital assets	-	-	2,500
Loss (gain) on disposal of assets	-	-	(2,500)
Decrease (increase) in prepaid expenses	-	<b>21</b>	(324)
	(57,661)	<b>10,239</b>	(213,802)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	15,572	<b>102,964</b>	(168,721)
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	59,452	<b>59,452</b>	228,173
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 75,024	\$ <b>162,416</b>	\$ 59,452

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF NAKAMUN PARK****Statement of Cash Flows****Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	\$ 92,725	\$ 45,081
Items not affecting cash:		
Amortization of tangible capital assets	35,448	30,535
Gain on disposal of tangible capital assets	-	(2,500)
	<b>128,173</b>	<b>73,116</b>
Changes in non-cash working capital:		
Trade and other receivables	(274)	5,430
Grants and receivables from other governments	28,362	(3,584)
Current taxes and grants in place of taxes	13,285	(12,002)
Accounts payable	1,480	62
Deferred income	(12,940)	8,513
Prepaid expenses	21	(324)
	<b>29,934</b>	<b>(1,905)</b>
Cash flow from operating activities	<b>158,107</b>	<b>71,211</b>
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(25,231)	(244,013)
Proceeds on disposal of tangible capital assets	-	2,500
Cash flow used by capital activities	<b>(25,231)</b>	<b>(241,513)</b>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash	-	982
Proceeds from long term financing	-	125,000
Repayment of long term debt	(25,566)	(23,405)
Cash flow from (used by) investing activities	<b>(25,566)</b>	<b>102,577</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>107,310</b>	<b>(67,725)</b>
Cash - beginning of year	<b>118,976</b>	<b>186,701</b>
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 226,286</b>	<b>\$ 118,976</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF NAKAMUN PARK****Schedule of Property and Other Taxes***(Schedule 1)***Year Ended December 31, 2025**

	Budget (Unaudited) 2025	2025	2024
<b>TAXATION</b>			
Real property tax	\$ 367,396	\$ 368,483	\$ 342,474
Linear property taxes	3,325	3,326	3,145
Special assessments	21,431	21,555	20,396
	392,152	393,364	366,015
<b>REQUISITIONS</b>	(136,877)	(136,848)	(121,800)
<b>NET MUNICIPAL TAXES</b>	\$ 255,275	\$ 256,516	\$ 244,215

**Schedule of Government Transfers***(Schedule 2)*

	2025	2025	2024
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 21,562	\$ 24,690	\$ 20,090
	21,562	24,690	20,090
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	63,661	94,720	71,274
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 85,223	\$ 119,410	\$ 91,364

**Schedule of Expenditures by Object***(Schedule 3)***Year Ended December 31, 2025**

	2025	2025	2024
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 13,300	\$ 8,416	\$ 12,452
Contracted and general services	221,190	226,370	235,704
Materials, goods and utilities	24,400	27,590	26,656
Transfer to local boards and agencies	3,786	3,200	3,892
Interest on long-term debt	5,639	5,334	7,495
Amortization	-	35,448	30,535
<b>Total Expenditures by Object</b>	\$ 268,315	\$ 306,358	\$ 316,734

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF NAKAMUN PARK**  
**Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2025**

**(Schedule 4)**

	Unrestricted Surplus	Operating Reserve	Capital Reserve	Equity in Tangible Capital Assets	2025	2024
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 1,788	\$ 74,792	\$ 84,789	\$ 1,361,333	\$ 1,522,702	\$ 1,477,621
Excess (deficiency) of revenues over expenses	92,725	-	-	-	92,725	45,081
Funds used to purchase of tangible capital assets	(25,231)	-	-	25,231	-	-
Annual amortization expense	35,448	-	-	(35,448)	-	-
Principle repayments on long term debt	(88,108)	-	-	88,108	-	-
Reserve fund transfers	(15,731)	(41,998)	57,729	-	-	-
	(897)	(41,998)	57,729	77,891	92,725	45,081
<b>BALANCE, END OF YEAR</b>	\$ 891	\$ 32,794	\$ 142,518	\$ 1,439,224	\$ 1,615,427	\$ 1,522,702

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF NAKAMUN PARK**

**Schedule of Segmented Disclosure**

**(Schedule 5)**

**Year Ended December 31, 2025**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	2025
<b>REVENUE</b>							
Net municipal taxes	\$ 256,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,516
Government transfers	19,630	-	-	-	5,060	-	24,690
Investment income	6,100	-	-	-	-	-	6,100
Other revenues	15,582	-	-	1,364	-	110	17,056
	297,828	-	-	1,364	5,060	110	304,362
<b>EXPENSES</b>							
Contract and general services	103,123	41,534	49,805	14,770	15,046	2,092	226,370
Salaries and wages	8,416	-	-	-	-	-	8,416
Materials, goods and utilities	450	-	25,540	1,600	-	-	27,590
Transfers to local boards	-	-	-	-	3,200	-	3,200
Amortization	3,070	-	16,332	-	16,048	-	35,450
Interest on long-term debt	-	-	-	-	5,334	-	5,334
	115,059	41,534	91,677	16,370	39,628	2,092	306,360
<b>Excess (deficiency) of revenue over expenses before other</b>	182,769	(41,534)	(91,677)	(15,006)	(34,568)	(1,982)	(1,998)
<b>OTHER</b>							
Government transfers for capital	-	-	-	-	94,720	-	94,720
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 182,769	\$ (41,534)	\$ (91,677)	\$ (15,006)	\$ 60,152	\$ (1,982)	\$ 92,722

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF NAKAMUN PARK****Schedule of Tangible Capital Assets****(Schedule 6)****Year Ended December 31, 2025**

	Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
<b>For the year ended December 31, 2025</b>				
<b>Cost</b>				
Land	\$ 332,957	\$ -	\$ -	\$ 332,957
Land improvements	149,612	22,894	-	172,506
Buildings	313,207	-	-	313,207
Engineered structures	485,323	2,337	-	487,660
Motor vehicles	19,492	-	-	19,492
Machinery and equipment	359,032	-	-	359,032
	1,659,623	25,231	-	1,684,854
<b>Accumulated Amortization</b>				
Land improvements	(20,614)	(6,873)	-	(27,487)
Buildings	(20,386)	(3,382)	-	(23,768)
Engineered structures	(51,113)	(10,579)	-	(61,692)
Machinery and equipment	(85,092)	(14,615)	-	(99,707)
Motor vehicles	(19,492)	-	-	(19,492)
	(196,697)	(35,449)	-	(232,146)
<b>Net Book Value</b>	\$ 1,462,926	\$ (10,218)	\$ -	\$ 1,452,708

**For the year ended December 31, 2024**

<b>Cost</b>				
Land	\$ 326,157	\$ 6,800	\$ -	\$ 332,957
Land improvements	92,433	57,178	-	149,611
Buildings	313,207	-	-	313,207
Engineered structures	466,713	18,610	-	485,323
Motor vehicles	19,492	-	-	19,492
Machinery and equipment	197,608	161,425	-	359,033
	1,415,610	244,013	-	1,659,623
<b>Accumulated Amortization</b>				
Land improvements	(15,343)	(5,271)	-	(20,614)
Buildings	(17,004)	(3,382)	-	(20,386)
Engineered structures	(40,805)	(10,308)	-	(51,113)
Machinery and equipment	(73,518)	(11,574)	-	(85,092)
Motor vehicles	(19,492)	-	-	(19,492)
	(166,162)	(30,535)	-	(196,697)
<b>Net Book Value</b>	\$ 1,249,448	\$ 213,478	\$ -	\$ 1,462,926

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year which are shown in their respective asset classifications.

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Nakamun Park (the Municipality) are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). It is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA). Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided, or the tangible capital assets are acquired.

#### Financial instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. The standard also requires disclosure of the nature and extent of risks arising from financial instruments and provides clarification on the derecognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### Use of Estimates

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the municipality's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- estimated accrued receivables;
- estimated useful lives of assets;
- impairment of long-term assets; and
- estimated accrued payables.

#### Segment disclosures

The Schedule of Segment Disclosures – Schedule 5 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

*(continues)*

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes.

Segments include:

- a) Transportation Services includes roadway and parking services.
- b) Protective Services is comprised of police, traffic safety, bylaw enforcement and fire rescue.
- c) Recreation and Culture includes parks and recreation, community and family services, planning and corporate properties and public housing.
- d) General Government includes municipal administration and council governance.
- e) Planning and Development includes related services for the betterment of the municipality.
- f) Environmental Services include water, sewage, and garbage services.

#### Cash and short term investments

Cash and cash equivalents consist of cash on deposit and short term investments maturing within 90 days from the date of purchase, are capable of reasonably prompt liquidation, and may be used to manage the Municipality's cash position throughout the year.

#### Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transaction costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of, the accumulated gains or losses are reclassified to the statement of operations. Investments in interest-bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net-present-value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

#### Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory includes all costs to purchase, convert, and bring the inventories to their present location and condition. Cost is determined using specific identification for major equipment and the weighted-average cost formula for all other inventory items. Inventory valuation reserves are maintained for inventory that is slow moving or obsolete.

#### Loans Receivable

Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances.

#### Debt Charges Recoverable

Debt charges recoverable consist of amounts borrowed under long term debt that are recoverable under loans or other financial arrangements made to non-profit organizations. These debt recoverable amounts are recorded at an amount equivalent to the related outstanding long term debt balances as at December 31. Loans are recorded at the lower of cost and net recoverable value. A valuation allowance in the debt recoverable is recognized when there is no longer any reasonable assurance of collection.

*(continues)*

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Local Improvements

When a service or improvement is deemed to benefit a specific area more than the Municipality as a whole, the project may be classified as a local improvement under the MGA to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owners' share of the improvement is recognized as revenue and established as a receivable in the period in which the project costs are incurred.

#### Tangible capital assets

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

Land improvements	10 - 20 years
Engineered structures	20 years
Buildings	50 years
Machinery and equipment	15 - 25 years
Motor vehicles	10 years

The municipality regularly reviews its tangible capital assets to eliminate obsolete items.

Government transfers related to tangible capital assets are recognized as revenue when the related expenditures are incurred and are reported within the applicable capital asset function.

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

#### Contributions of Tangible Capital Assets

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

#### Impairment of long lived assets

The municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows that the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### Cultural and Historical Tangible Capital Assets

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

#### Non-Financial Assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

*(continues)*

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Deferred Revenue

Deferred revenue comprises funds received in advance of services performed or where the use of funds is externally restricted. These amounts are recognized as revenue in the period the service is performed or when the funds are used for the purpose specified. When agreements stipulate that interest earned on contributions should be restricted for a specific purpose, that interest is treated as a contribution received and recorded as an addition to deferred revenue.

#### Deposits

Deposits are held for the purposes of securing the compliance of a third party to contractual stipulations. Deposits are returned when compliance with contractual stipulations is determined. Deposits are recognized as revenue when a third party defaults on the contractual stipulations that the deposits were securing against.

#### Long term Debt

Long term debt is initially recognized net of any premiums, discounts, fees and transaction costs, with interest expense recognized using the effective interest method. Long term debt is subsequently measured at amortized cost.

#### Reserves and Equity in Tangible Capital Assets

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets after deducting the portion financed by long term debt.

#### Tax Revenue

Annually, the Municipality bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by the Municipality's Council in accordance with legislation and the Municipality's Council-approved policies. The purpose is to raise the funds required to provide municipal services and to meet requisition obligations. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Schedule of Property and Other Taxes.

The Municipality also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Schedule of Property and Other Taxes (Schedule 1).

#### Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

*(continues)*

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

#### Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from other orders of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future. The Municipality receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the Municipality are recognized as revenues when the transfers are authorized and all the eligibility criteria, if any, have been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received along with restricted interest thereon are recorded as deferred revenue.

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the transfer has been authorized and the eligibility criteria, if any, have been met by the recipient. The majority of transfers made by the Municipality are in the form of tangible capital assets, grants and subsidies.

#### Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

*(continues)*

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Municipality to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### Contaminated Sites Liability

Contaminated sites are the result of a chemical, organic or radioactive material or living organisms in amounts that exceed an environmental standard being introduced into soil, water or sediment. The Municipality recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Municipality is directly responsible or accepts responsibility for the contamination,
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Municipality's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Municipality's best estimate, as of December 31, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed for a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. When cash flows are expected to occur over extended future periods the Municipality will measure the liability using present value techniques. This liability is reported in the Statement of Financial Position.

**SUMMER VILLAGE OF NAKAMUN PARK****Notes to Financial Statements****Year Ended December 31, 2025****2. CASH AND TEMPORARY INVESTMENTS**

	<b>2025</b>	2024
Cash	<b>\$ 226,286</b>	\$ 118,976

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

Restricted amounts (if any) are received from municipal grants and are held exclusively for future approved projects. (Note 6.)

The Municipality has a line of credit with a limit of \$150,000 bearing interest at Prime + 1% per annum. There were no outstanding balances in 2025.

**3. TAXES RECEIVABLES**

Taxes receivable are comprised of:

	<b>2025</b>	2024
Current taxes and grants in place of taxes	<b>\$ 15,478</b>	\$ 24,532
Arrears taxes and grants in place of taxes	<b>1,996</b>	6,227
	<b>\$ 17,474</b>	\$ 30,759

**4. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS**

Grants and receivables from other governments are comprised of:

	<b>2025</b>	2024
Canada Community Building Fund - Capital grant receivable	<b>\$ -</b>	\$ 20,554
Goods and services tax refundable	<b>5,042</b>	12,850
	<b>\$ 5,042</b>	\$ 33,404

**5. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2025 Net book value</b>	2024 Net book value
Land	\$ 332,957	\$ -	<b>\$ 332,957</b>	\$ 332,957
Land improvements	172,506	27,486	<b>145,020</b>	128,998
Buildings	313,207	23,769	<b>289,438</b>	292,821
Machinery and equipment	359,032	99,707	<b>259,325</b>	273,940
Motor vehicles	19,492	19,492	-	-
Engineered structures	487,660	61,692	<b>425,968</b>	434,210
	<b>\$ 1,684,854</b>	<b>\$ 232,146</b>	<b>\$ 1,452,708</b>	<b>\$ 1,462,926</b>

For additional information see the Schedule of Tangible Capital Assets. (Schedule 6)

**SUMMER VILLAGE OF NAKAMUN PARK**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

6. DEFERRED REVENUE

Deferred revenue is comprised of:

<b>2025</b>	2024 Balance	Allocations	Disbursements	<b>2025 Balance</b>
<b>Grant Funding</b>				
Canada Community-Building Fund	\$ 12,937	\$ 9,737	\$ (22,674)	\$ -
Local Government Fiscal Framework - Capital	-	72,045	(72,045)	-
	12,937	81,782	(94,719)	-
<b>Other Deferred Revenue</b>				
Prepaid Taxes	4	-	(3)	1
	\$ 12,941	\$ 81,782	\$ (94,722)	\$ 1

<b>2024</b>	2023 Balance	Allocations	Disbursements	<b>2024 Balance</b>
<b>Grant Funding</b>				
Canada Community-Building Fund	3,394	9,543	-	12,937
Local Government Fiscal Framework - Capital	-	70,292	(70,292)	-
Basic Municipal Transportation Grant - Capital	982	-	(982)	-
	4,376	79,835	(71,274)	12,937
<b>Other Deferred Revenue</b>				
Prepaid Taxes	53	-	(49)	4
	4,429	79,835	(71,323)	12,941

Grant funding is comprised of the funds noted above and is allocated to the Municipality by the Provincial Government as approved by the individual restricted funding agreements. These grants are restricted to specific projects that must be approved per the agreement and are scheduled for completion in the next few years. These funds are recognized as revenue in the period they are used for the purpose specified. Unexpended funds related to the advances, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

### 7. LONG TERM DEBT

	2025	2024
ATB loan bearing interest at 5.75% (prime plus 0.3%) per annum, repayable in annual blended payments of \$30,900. The loan matures on December 15, 2028 and is secured by the credit and security of the Summer Village at large.	\$ 76,029	\$ 101,595

Principal reductions over the next few years are approximately:

2026	\$ 25,194
2027	27,085
2028	23,750
	<u>76,029</u>
	<u>\$ 76,029</u>

Interest on long term debt amounted to \$ 5,334 (2024 - \$ 7,495).

### 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 of Nakamun Park, be disclosed as follows:

	2025	2024
Total debt limit	\$ 456,545	\$ 432,062
Total debt	(76,029)	(101,595)
Amount of debt limit unused	380,516	330,467
Debt servicing limit	76,091	72,010
Debt servicing	(30,900)	(30,900)
Amount of debt servicing limit unused	\$ 45,191	\$ 41,110

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk, if further debt is acquired. The calculation taken alone does not represent the financial stability of the Municipality. Rather, the financial statements must be interpreted as a whole.

### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2025	2024
Tangible capital assets (Note 5.)	\$ 1,684,857	\$ 1,659,625
Accumulated amortization (Note 5.)	(232,146)	(196,697)
Long term debt used for tangible capital assets (Note 7)	(13,487)	(101,595)
	<u>\$ 1,439,224</u>	<u>\$ 1,361,333</u>

## SUMMER VILLAGE OF NAKAMUN PARK

### Notes to Financial Statements

Year Ended December 31, 2025

---

#### 10. FINANCIAL INSTRUMENTS

The municipality's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the municipality is not exposed to significant currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the municipality manages risk exposure on these items similar to other receivables and payables.

The municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the municipality's risk exposure and concentration as of December 31, 2025.

##### Credit risk

The municipality is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

##### Liquidity risk

Liquidity risk is the risk that the municipality will be unable to meet its financial obligations as they come due. The municipality is exposed to this risk primarily through its accounts payable and long-term debt. Liquidity risk is managed through the monitoring of cash balances and the timing of property tax collections and other municipal revenues to ensure sufficient funds are available to meet obligations when due.

##### Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the municipality's financial position, potentially increasing borrowing costs or reducing investment income. This risk can indirectly impact taxpayers through higher future funding requirements. It is management's assessment that the municipality is not exposed to this risk in any significant manner.

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

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

### 11. SALARY AND BENEFITS DISCLOSURE

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

				2025	2024
	Salary (1)	Benefits & allowances (2)		Total	Total
M. Hanssen - Former Deputy Mayor	\$ 1,500	\$ -	\$	<b>1,500</b>	\$ 4,200
R. Charter - Deputy Mayor	2,400	-		<b>2,400</b>	3,610
K. Pederson - Mayor	2,600	-		<b>2,600</b>	3,050
R. Gertz - Councillor	-	-		-	-
Former Chief Administrative Officer	-	-		-	54,500
Chief Administrative Officer	58,395	-		<b>58,395</b>	-
Designated Officers (5)	15,731	-		<b>15,731</b>	16,645
	\$ 80,626	\$ -	\$	<b>80,626</b>	\$ 82,005

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Chief Administrative Officer's salary also includes amounts paid in subcontracting administrative support staff services
2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**SUMMER VILLAGE OF NAKAMUN PARK****Notes to Financial Statements****Year Ended December 31, 2025****12. ACCUMULATED SURPLUS**

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

	<b>2025</b>	<b>2024</b>
Unrestricted surplus	\$ 892	\$ 1,788
Reserves- Common Services	2,474	52,732
Reserves- Council	4,109	1,585
Reserves- Admin	4,485	1,585
Reserves- Legal	1,585	1,585
Reserves- Election	(323)	2,360
Reserves- Cpo\bylaws	2,830	1,585
Reserves- Fire Services	3,120	3,120
Reserves- Muni Plan\enforce	4,120	3,120
Reserves- Recreation & Parks	3,620	3,120
Reserves- MSI Operating	4,000	4,000
Reserves- Equipment\machines	1,774	-
Reserves- Water\wastewater	1,000	-
Restricted surplus - operating	32,794	74,792
Reserves- Infrast Refurb.	18,200	24,200
Reserves- Lgff Weed Harv Ln	56,941	10,462
Reserves- Road	1,500	1,500
Reserves- Equip. Replacement	27,508	27,508
Reserves- Gen. Amort\TCA	38,369	21,119
Restricted surplus - capital	142,518	84,789
Equity in tangible capital assets	1,439,223	1,361,333
	<b>\$ 1,615,427</b>	<b>\$ 1,522,702</b>

**13. SEGMENTED DISCLOSURE**

The Summer Village of Nakamun Park provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 5).

# SUMMER VILLAGE OF NAKAMUN PARK

## Notes to Financial Statements

Year Ended December 31, 2025

---

### 14. CONTRACTUAL OBLIGATIONS

The Summer Village is a member of the West Inter Lake District (WILD) Regional Water Services Commission (Commission) and as such is committed to the entire project which provides potable water to the municipal members of the Commission. Phase I, II, III and IV are completed and operational and Phase V is being constructed. The majority of funding coming through grant funds and the Commission and its municipal members having to cover their respective portion of the construction costs of these phases, as well as the annual operating and governance costs. The Summer Village paid out their capital portion using grants in Phases II, III, and IV, but took advantage of a debenture option for Phase I. This debt option saw the Commission take on the debt under the guarantee that the Summer Village would pay back the debt on the resulting schedule:

2026	\$	1,340
2027		1,340
2028		1,340
2029		1,340
2030		1,340
Thereafter		12,060
		<hr/>
	\$	<u>18,760</u>

### 15. RELATED PARTY TRANSACTIONS

The Municipality made payments of \$1,115 (2025 - \$1,560) to a an individual related to the Mayor for lawn services. These transactions are subject to normal trade terms, and were measured at the exchange amount, being the amount of consideration established and agreed by the related parties.

### 16. CONTAMINATED SITES LIABILITY

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2025 (2024 – Nil) as a result of this standard.

### 17. ASSET RETIREMENT OBLIGATIONS

The Municipality has adopted PS3280 Asset Retirement Obligations. The Municipality did not identify any financial liabilities in 2025 (2024 – Nil) as a result of this standard.

### 18. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

### 19. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited.