McNab Regional Park Authority

Financial Statements

For the year ended December 31, 2025

Management's Responsibility

To the Board of Directors of McNab Regional Park Authority (the "Authority"):

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Authority. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, internal auditors, and external auditors. The Board is also responsible for recommending the appointment of the Authority's external auditors.

HSA Chartered Professional Accountants LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

February 26, 2026

Kim Mitchell, Park Manager

HSA Chartered Professional Accountants

Independent Auditor's Report

To the Board of Directors of McNab Regional Park Authority (the "Authority"):

Opinion

We have audited the financial statements of McNab Regional Park Authority, which comprise the statement of financial position as at December 31, 2025, the statement of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of McNab Regional Park Authority as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

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 Authority 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Authority for the year ended December 31, 2024 were not audited, and as such, the comparative information is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Canadian accounting standards for not-for-profit organizations, 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 these financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Authority'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:

- 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 Authority'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 Authority'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 Authority 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.

HSA LLP

Chartered Professional Accountants
Humboldt, Saskatchewan

February 26, 2026

McNab Regional Park Authority

Statement of Financial Position

As at December 31, 2025

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 186,067	$ 91,085
GST recoverable	681	-
Interest receivable	2,128	2,797
Inventory	1,664	1,600
Prepaid expenses	-	718
Short-term investments (note 2)	50,777	47,655
Total Current Assets	241,317	143,855
Deposit on tangible capital assets	28,807	1,000
Tangible capital assets (note 3)	1,195,684	1,196,899
Total Assets	$ 1,465,808	$ 1,341,754
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 2,233	$ 582
GST payable	-	9,133
Current portion of long-term debt (note 5)	3,400	4,500
Total Current Liabilities	5,633	14,215
Long-term debt (note 5)	9,071	2,224
Deferred contributions (note 6)	547,470	401,292
Total Liabilities	562,174	417,731
Unrestricted Net Assets	903,634	924,023
Total Liabilities and Net Assets	$ 1,465,808	$ 1,341,754

Approved on Behalf of the Board:

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

McNab Regional Park Authority

Statement of Operations

For the year ended December 31, 2025

	2025	2024
Revenues		
Clubhouse	$ **137,347**	$ 130,613
Golf course	**89,667**	83,860
Campground	**42,329**	41,248
Swimming pool	**31,431**	34,411
Fundraising	**30,801**	9,183
Advertising and sponsorship	**12,390**	12,380
Regional park passes	**5,927**	6,924
Total revenues	**349,892**	318,619
Cost of goods sold		
Clubhouse	**65,181**	60,953
Swimming pool	**16,016**	13,013
Golf course	**10,151**	11,163
Campground	**1,840**	1,833
Cost of goods sold	**93,188**	86,962
Gross margin	**256,704**	231,657
Expenses		
Salaries and wages	**170,270**	169,673
Amortization	**88,073**	89,794
Repairs and maintenance	**39,867**	41,794
Insurance	**27,318**	23,552
Utilities	**23,747**	22,719
Supplies	**9,297**	1,201
Professional fees	**6,474**	5,565
Interest and bank charges	**6,197**	4,909
Fundraising	**5,306**	3,887
General and administrative	**4,539**	3,319
Memberships and licenses	**3,781**	3,507
Office	**2,514**	2,813
Advertising and promotion	**2,341**	2,184
Theft	**-**	2,242
Total expenses	**389,724**	377,159
Deficiency of revenues over expenses from operations	**(133,020)**	(145,502)
Non-operating revenue (Schedule 1)	**112,631**	120,808
Deficiency of revenues over expenses	$ **(20,389)**	$ (24,694)

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

McNab Regional Park Authority

Statement of Changes in Net Assets

For the year ended December 31, 2025

	2025	2024
Net assets, beginning of year	**$ 924,023**	$ 948,717
Deficiency of revenues over expenses	**(20,389)**	(24,694)
Net assets, end of year	**$ 903,634**	$ 924,023

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

McNab Regional Park Authority

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Cash flows from operating activities:		
Cash sales revenue received	$ **505,981**	$ 375,223
Grants received	**43,536**	64,260
Donations received	**3,620**	12,192
Insurance received	**24,611**	-
Cash payments to suppliers and employees	**(400,630)**	(371,399)
Interest received	**3,746**	4,278
Interest paid	**(1,756)**	(4,909)
Total cash flows from operating activities	**179,108**	79,645
Cash flows from investing activities:		
Purchase of short-term investments	**(50,777)**	(47,655)
Proceeds from maturity of short-term investments	**47,655**	40,000
Purchases of tangible capital assets	**(87,951)**	(69,860)
Proceeds from sale of tangible capital assets	**1,200**	3,700
Total cash flows from investing activities	**(89,873)**	(73,815)
Cash flows from financing activities:		
Proceeds from long-term debt	**14,420**	-
Repayment on long-term debt	**(8,673)**	(4,101)
Total cash flows from financing activities	**5,747**	(4,101)
Increase in cash and cash equivalents	**94,982**	1,729
Cash and cash equivalents, beginning of year	**91,085**	89,356
Cash and cash equivalents, end of year	$ **186,067**	$ 91,085

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

McNab Regional Park Authority

Notes to Financial Statements

For the year ended December 31, 2025

McNab Regional Park Authority (the "Authority") was established under the Saskatchewan Regional Parks Act, on April 12, 1978. Its principal business activity is the operation of a regional park in Watson, Saskatchewan, providing camping, swimming, and golf activities. As a Regional Park Authority, the Authority is not subject to income tax.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following policies:

a. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The carrying value and estimated useful lives of tangible capital assets is subject to estimates. Actual results could differ from those estimates and may have impact on future periods.

b. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash on deposit, net of outstanding cheques. Also included in cash and cash equivalents are short-term investments that are readily convertible to cash.

c. Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis.

d. Short-term investments

Short-term investments consist of guaranteed investment certificates ("GICs") with maturity dates ranging from 91 days to twelve months from date of acquisition and long-term GICs maturing in the next year.

e. Financial instruments

The Authority's financial instruments, consisting of cash and cash equivalents, interest receivable, short-term investments, accounts payable, and long-term debt are initially recognized at fair value, and subsequently measured at amortized cost.

f. Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided using the declining balance method, with the exception of leasehold improvements which is provided using the straight-line method, at rates intended to amortize the cost of the tangible capital assets over estimated useful lives, as follows:

Leasehold improvements	29 years
Buildings	4%
Equipment	4% - 20%
Automotive	30%
Computer	40%

Tangible capital assets in progress are not amortized.

McNab Regional Park Authority

Notes to Financial Statements

For the year ended December 31, 2025

1. Significant accounting policies (continued)

g. Revenue recognition

The Authority follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Clubhouse, golf course, swimming pool, campground, and regional park passes revenues are recognized when the goods or services have been provided. Grants, donations, and insurance proceeds are recognized when qualifying criteria are met. Advertising and sponsorship revenue, fundraising, and interest are recognized as earned. Amortization of deferred contributions is recognized as the tangible capital assets associated with the deferred contributions are amortized.

h. Government assistance

The Authority receives financial assistance under available incentive programs. Government assistance relating to current expenses is included in the determination of excess of revenue over expenses for the period. Government assistance relating to the acquisition of tangible capital assets is deferred and amortized to revenue on the same basis as the related tangible capital assets are amortized to expense.

i. Contributed materials and services

The Authority does not record donated materials and services in the financial statements.

2. Short-term investments

Short-term investments consist of a GIC bearing interest at 3.75% (2024 - 5.25%), maturing August 2026.

3. Tangible capital assets

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Land	$ 57,855	$ -	$ 57,855	$ 57,855
Leasehold improvements	559,475	(107,567)	451,908	461,895
Buildings	551,632	(92,948)	458,684	477,796
Equipment	243,724	(131,346)	112,378	129,568
Automotive	223,260	(126,057)	97,203	68,984
Computer	1,668	(1,187)	481	801
Tangible capital asset in progress	17,175	-	17,175	-
Total	**$ 1,654,789**	**$ (459,105)**	**$ 1,195,684**	$ 1,196,899

McNab Regional Park Authority

Notes to Financial Statements

For the year ended December 31, 2025

4. Operating line of credit

The Authority has established a bank operating line of credit of up to $10,000 bearing interest at bank prime rate of 4.45% (2024 - 5.45%) plus 2.75%. As of December 31, 2025, the Authority has drawn $nil (2024 - $nil) on this line.

5. Long-term debt

Long-term debt consists of the following:

	2025	2024
Accent Credit Union loan, repayable $331 monthly including interest at 4.99%, secured by automotive equipment with a net book value of $19,822, due May, 2029	**$ 12,471**	$ -
Accent Credit Union loan, repaid	**-**	6,724
Less: current portion	**(3,400)**	(4,500)
Long-term portion of debt	**$ 9,071**	$ 2,224

Principal repayments on long-term debt over the next four years are as follows:

2026	$ 3,400
2027	3,600
2028	3,800
2029	1,671
Total	**$ 12,471**

6. Deferred contributions

Deferred contributions represent externally restricted funding received from Saskatchewan Regional Parks Association Inc. and other organizations for the acquisition of tangible capital assets. The contributions received are deferred and amortized on the same basis as the related tangible capital assets.

	2025	2024
Opening deferred contributions	**$ 401,292**	$ 389,095
Contributions received	**183,188**	50,870
Amortization of deferred contributions	**(37,010)**	(38,673)
Ending deferred contributions	**$ 547,470**	$ 401,292

7. Financial instrument risk

The Authority is exposed to the following significant risk through its use of financial instruments:

Liquidity risk: The Authority's exposure to liquidity risk is dependent on the receipt of funds from its operations, grants, and donations. There has been no substantial change to liquidity risk compared to the prior year.

8. Comparative information

Purchase of short-term investments and proceeds from short-term investments have been presented separately on the statement of cash flows, whereas in the prior year it was presented as the change in short-term investments, net.

McNab Regional Park Authority

Schedule 1 - Non-Operating Revenue

For the year ended December 31, 2025

	2025	2024
Grants	$ **43,536**	$ 64,260
Amortization of deferred contributions	**37,010**	38,673
Insurance	**24,611**	-
Interest	**3,746**	4,278
Donations	**3,620**	12,192
Gain on disposal of tangible capital assets	**108**	1,405
Total revenue	$ **112,631**	$ 120,808

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