

**VILLAGE OF GLENWOOD**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2025**

**VILLAGE OF GLENWOOD**  
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**Year Ended December 31, 2025**

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

The consolidated financial statements are the responsibility of the management of the Village of Glenwood (the "Village").

These consolidated financial statements have been prepared from information provided by management. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

The Village maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Village's assets are properly accounted for and adequately safeguarded.

The elected Council of the Village is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council meets periodically with management and the external auditors to review significant accounting, reporting and internal control matters. Following its review of the consolidated financial statements and discussions with the auditors, the Council approves the consolidated financial statements. The Council approves the appointment of the external auditors and reviews the monthly financial reports.

The consolidated financial statements have been audited by Shawn Cook Professional Corporation, Chartered Professional Accountants, the external auditor, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Village. Shawn Cook Professional Corporation has full and free access to the Council.

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CAO

Glenwood, AB  
April 30, 2026



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council of the Village of Glenwood**

#### **Opinion**

We have audited the consolidated financial statements of Village of Glenwood (the "Village"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2025, and the consolidated results of its operations, changes in net financial assets and its consolidated 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Village in accordance with ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Village'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 Village or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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Independent Auditor's Report to the Members of Council of the Village of Glenwood (*continued*)

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 consolidated 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 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 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 auditor's report to the related disclosures in the consolidated 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 Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

*Shawn Cook*  
*Professional Corporation*

Lethbridge, Alberta  
April 30, 2026

Chartered Professional Accountants



**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Financial Position**  
**December 31, 2025**

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 579,483	\$ 551,028
Taxes and grants in lieu of taxes receivable <i>(Note 3)</i>	28,659	20,876
Trade and other receivable <i>(Note 3)</i>	330,858	143,585
	<u>939,000</u>	<u>715,489</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	55,938	41,656
Employee benefit obligation	4,468	19,232
Employee deductions payable	4,802	3,235
Deferred revenue <i>(Note 4)</i>	74,554	51,038
	<u>139,762</u>	<u>115,161</u>
<b>NET FINANCIAL ASSETS</b>	<u>799,238</u>	<u>600,328</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 2)</i>	2,833,757	3,454,244
Inventory for consumption	2,549	8,671
Prepaid expenses	1,456	-
	<u>2,837,762</u>	<u>3,462,915</u>
<b>ACCUMULATED SURPLUS <i>(Schedule 1 and Note 9)</i></b>	<u>\$ 3,637,000</u>	<u>\$ 4,063,243</u>

**CONTINGENCIES *(Note 14)***

**Approved on behalf of Council:**

\_\_\_\_\_ *Chief Elected Officer*

\_\_\_\_\_ *Councillor*

**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2025**

	Budget (Unaudited)	2025	2024
<b>REVENUE</b>			
Net municipal taxes <i>(Schedule 3)</i>	\$ 241,700	\$ 242,568	\$ 247,497
User fees and sales of goods	189,855	214,981	243,856
Government transfers for operating <i>(Schedule 4)</i>	66,400	75,968	83,767
Investment income	30,000	21,436	30,269
Franchise and concession contracts <i>(Note 12)</i>	17,600	21,313	20,189
Penalties and costs of taxes	3,700	6,653	5,837
Licenses and permits	640	2,310	11,926
Other revenue	5,900	6,544	7,629
	<u>555,795</u>	<u>591,773</u>	<u>650,970</u>
<b>EXPENSES</b>			
Legislative	24,500	33,096	22,174
Administration	187,800	188,158	192,636
Bylaw enforcement	15,700	14,424	18,824
Fire services	19,775	17,754	27,160
Public works	192,966	282,292	214,766
Wastewater treatment and disposal	36,200	24,642	44,038
Water supply and distribution	118,440	155,973	223,321
Waste management	15,900	19,139	15,438
Cemeteries and crematoriums	3,350	4,257	5,166
Land use planning and development	7,730	9,756	5,694
Parks and recreation	23,919	35,552	35,855
Culture - libraries, museums, halls	44,000	38,015	43,255
	<u>690,280</u>	<u>823,058</u>	<u>848,327</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER</b>	<u>(134,485)</u>	<u>(231,285)</u>	<u>(197,357)</u>
<b>OTHER</b>			
Government transfers for capital <i>(Schedule 4)</i>	334,000	182,117	243,811
Loss on disposal of tangible capital assets	200,000	(377,075)	-
	<u>534,000</u>	<u>(194,958)</u>	<u>243,811</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>399,515</u>	<u>(426,243)</u>	<u>46,454</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>4,063,243</u>	<u>4,063,243</u>	<u>4,016,789</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 4,462,758</u>	<u>\$ 3,637,000</u>	<u>\$ 4,063,243</u>

**VILLAGE OF GLENWOOD****Consolidated Statement of Changes in Net Financial Assets****Year Ended December 31, 2025**

	Budget (Unaudited)	2025	2024
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 399,515	\$ (426,243)	\$ 46,454
Amortization of tangible capital assets	155,400	<b>232,588</b>	238,831
Acquisition of tangible capital assets	(373,000)	<b>(189,176)</b>	(288,324)
Proceeds on disposal of tangible capital assets	-	<b>200,000</b>	-
Loss on disposal of tangible capital assets	(200,000)	<b>377,075</b>	-
	<u>(417,600)</u>	<u><b>620,487</b></u>	<u>(49,493)</u>
Use (increase) of prepaid expenses	-	<b>(1,456)</b>	1,011
Decrease (increase) in inventory for consumption	-	<b>6,122</b>	(4,300)
	<u>-</u>	<u><b>4,666</b></u>	<u>(3,289)</u>
	<u>(417,600)</u>	<u><b>625,153</b></u>	<u>(52,782)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(18,085)	<b>198,910</b>	(6,328)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	600,328	<b>600,328</b>	606,656
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 582,243</u>	<u>\$ <b>799,238</b></u>	<u>\$ 600,328</u>

**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2025**

	2025	2024
<b>OPERATING</b>		
Excess (deficiency) of revenue over expenses	\$ (426,243)	\$ 46,454
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	232,588	238,831
Loss on disposal of tangible capital assets	377,075	-
	<u>183,420</u>	<u>285,285</u>
Changes in non-cash working capital:		
Taxes and grants in lieu of taxes receivable	(7,783)	11,443
Trade and other receivable	(187,273)	(54,905)
Accounts payable and accrued liabilities	14,284	21,903
Employee benefit obligation	(14,764)	13,222
Employee deductions payable	1,567	(115)
Deferred revenue	23,516	(159,837)
Inventory for consumption	6,120	(4,301)
Prepaid expenses	(1,456)	1,011
	<u>(165,789)</u>	<u>(171,579)</u>
	<u>17,631</u>	<u>113,706</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(189,176)	(288,324)
Proceeds on disposal of tangible capital assets	200,000	-
	<u>10,824</u>	<u>(288,324)</u>
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>	<b>28,455</b>	<b>(174,618)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>551,028</b>	<b>725,646</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR (Note 2)</b>	<b>\$ 579,483</b>	<b>\$ 551,028</b>

**VILLAGE OF GLENWOOD**

**Schedule of Changes in Accumulated Surplus**

**(Schedule 1)**

**Year Ended December 31, 2025**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2025	2024
<b>BALANCE, BEGINNING OF THE YEAR</b>	\$ 262,992	\$ 346,007	\$ 3,454,244	\$ <b>4,063,243</b>	\$ 4,016,789
Excess (deficiency) of revenue over expenses	(426,243)	-	-	<b>(426,243)</b>	46,454
Unrestricted funds designated for future use	(200,000)	200,000	-	-	-
Current year funds used for tangible capital assets	(189,176)	-	189,176	-	-
Amortization of tangible capital assets	232,588	-	(232,588)	-	-
Disposal of tangible capital assets	577,075	-	(577,075)	-	-
Change in accumulated surplus	(5,756)	200,000	(620,487)	<b>(426,243)</b>	46,454
<b>BALANCE, END OF THE YEAR</b>	\$ 257,236	\$ 546,007	\$ 2,833,757	\$ <b>3,637,000</b>	\$ 4,063,243

**VILLAGE OF GLENWOOD**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2025**

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	2025	2024
<b>COST</b>							
BALANCE, BEGINNING OF YEAR	\$ 97,757	\$ 322,566	\$ 1,005,849	\$ 7,354,662	\$ 497,896	\$ 9,278,730	\$ 8,990,406
Acquisition of tangible capital assets	-	-	-	182,116	7,060	189,176	288,324
Disposal of tangible capital assets	-	-	-	(1,085,276)	-	(1,085,276)	-
BALANCE, END OF YEAR	97,757	322,566	1,005,849	6,451,502	504,956	8,382,630	9,278,730
<b>ACCUMULATED AMORTIZATION</b>							
BALANCE, BEGINNING OF YEAR	-	122,728	604,469	4,733,009	364,280	5,824,486	5,585,655
Amortization of tangible capital assets	-	12,903	20,626	180,778	18,281	232,588	238,831
Accumulated amortization on disposals	-	-	-	(508,201)	-	(508,201)	-
BALANCE, END OF YEAR	-	135,631	625,095	4,405,586	382,561	5,548,873	5,824,486
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 97,757</b>	<b>\$ 186,935</b>	<b>\$ 380,754</b>	<b>\$ 2,045,916</b>	<b>\$ 122,395</b>	<b>\$ 2,833,757</b>	<b>\$ 3,454,244</b>
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	\$ 199,838	\$ 401,380	\$ 2,621,653	\$ 133,616	\$ 3,454,244	

**VILLAGE OF GLENWOOD**  
**Schedule of Property and Other Taxes**  
**Year Ended December 31, 2025**

**(Schedule 3)**

	Budget (Unaudited)	2025	2024
<b>TAXATION</b>			
Real property taxes	\$ 330,700	\$ 328,277	\$ 319,896
Linear property taxes	17,500	20,379	18,196
	348,200	348,656	338,092
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	100,200	99,853	84,497
Seniors foundation	6,300	6,235	6,098
	106,500	106,088	90,595
<b>NET MUNICIPAL PROPERTY TAXES</b>	\$ 241,700	\$ 242,568	\$ 247,497

**VILLAGE OF GLENWOOD**  
**Schedule of Government Transfers**  
**Year Ended December 31, 2025**

**(Schedule 4)**

	Budget (Unaudited)	2025	2024
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 66,400	\$ 75,968	\$ 83,049
Other Local Government	-	-	718
	<u>66,400</u>	<u>75,968</u>	<u>83,767</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	200,000	182,117	230,315
Other Local Government	134,000	-	13,496
	<u>334,000</u>	<u>182,117</u>	<u>243,811</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 400,400</u>	<u>\$ 258,085</u>	<u>\$ 327,578</u>

**VILLAGE OF GLENWOOD**

**Schedule of Consolidated Expenses by Object  
Year Ended December 31, 2025**

**(Schedule 5)**

	Budget (Unaudited)	2025	2024
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 209,350	\$ 214,901	\$ 216,640
Contracted and general services	183,430	213,605	209,890
Materials, goods and utilities	84,150	101,045	123,254
Transfers to local boards and agencies	54,600	57,765	57,322
Bank charges and short-term interest	2,750	2,610	2,390
Other expenses	600	544	-
Amortization of tangible capital assets	155,400	232,588	238,831
	<u>\$ 690,280</u>	<u>\$ 823,058</u>	<u>\$ 848,327</u>

**VILLAGE OF GLENWOOD**  
**Schedule of Segmented Disclosure**  
**Year Ended December 31, 2025**

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and development	Recreation and culture	Total
<b>REVENUE</b>							
Government transfers	\$ 62,126	\$ -	\$ 182,117	\$ -	\$ 9,072	\$ 4,770	\$ 258,085
Net municipal taxes	242,568	-	-	-	-	-	242,568
User fees and sales of goods	2,318	-	302	194,308	300	17,753	214,981
Investment interest income	21,436	-	-	-	-	-	21,436
Franchise and concession contracts	21,313	-	-	-	-	-	21,313
Other revenue	8,795	-	-	1,402	2,310	3,000	15,507
	<u>358,556</u>	<u>-</u>	<u>182,419</u>	<u>195,710</u>	<u>11,682</u>	<u>25,523</u>	<u>773,890</u>
<b>EXPENSES</b>							
Salaries, wages and benefits	101,769	-	75,358	36,784	884	106	214,901
Contracted and general services	80,203	3,378	8,256	96,999	2,930	21,839	213,605
Materials, goods, and utilities	26,848	5,567	40,527	7,142	3,373	17,588	101,045
Transfers to local boards and agencies	-	19,978	-	24,794	6,826	6,167	57,765
Bank charges and short-term interest	2,610	-	-	-	-	-	2,610
Other expenses	544	-	-	-	-	-	544
	<u>211,974</u>	<u>28,923</u>	<u>124,141</u>	<u>165,719</u>	<u>14,013</u>	<u>45,700</u>	<u>590,470</u>
<b>NET REVENUE BEFORE OTHER</b>	<u>146,582</u>	<u>(28,923)</u>	<u>58,278</u>	<u>29,991</u>	<u>(2,331)</u>	<u>(20,177)</u>	<u>183,420</u>
Loss on disposal of tangible capital assets	-	-	-	377,075	-	-	377,075
Amortization of tangible capital assets	9,280	3,255	158,151	34,035	-	27,867	232,588
	<u>9,280</u>	<u>3,255</u>	<u>158,151</u>	<u>411,110</u>	<u>-</u>	<u>27,867</u>	<u>609,663</u>
<b>NET REVENUE</b>	<u>\$ 137,302</u>	<u>\$ (32,178)</u>	<u>\$ (99,873)</u>	<u>\$ (381,119)</u>	<u>\$ (2,331)</u>	<u>\$ (48,044)</u>	<u>\$ (426,243)</u>

## VILLAGE OF GLENWOOD

### Notes to Consolidated Financial Statements

Year Ended December 31, 2025

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Glenwood (the "Village") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village are as follows:

##### Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

##### Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

##### Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates. Significant areas subject to such estimates and assumptions are the collectability of account receivable and the useful lives of tangible capital assets.

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid.

##### Investments

Investments are recorded at cost less any provision for other than temporary impairment.

*(continues)*

**VILLAGE OF GLENWOOD**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Revenue recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and the amounts to be received can be reasonably estimated and collection is reasonably assured.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payer. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered.

User charges for which the related services have yet to be performed are recognized when related expenses are incurred, benefits are achieved, or tangible capital assets are acquired. Revenue on investments, fines, and penalties are recognized when earned.

Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

Asset Retirement Obligation

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 Village 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 Village reviews the carrying amount of the liability. The Village 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 Village 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.

*(continues)*

**VILLAGE OF GLENWOOD**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

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 (Debt) for the year.

**i. 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:

	<u>Years</u>
Land improvements	15 - 25
Buildings	25 - 50
Engineered structures	
Water system	20 - 75
Wastewater system	35 - 75
Other engineered structures	5 - 75
Machinery and equipment	5 - 20

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**ii. Contributions of tangible capital assets**

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

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all 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.

**iv. Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

**VILLAGE OF GLENWOOD**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2025</u>	<u>2024</u>
Cash	\$ 578,983	\$ 550,528
Petty Cash	500	500
	<u>\$ 579,483</u>	<u>\$ 551,028</u>

The Village has a demand line of credit with ATB Financial with an authorized limit of \$100,000 which bears interest at prime plus 1%, secured by a general security agreement. The demand line of credit balance was \$nil at year end (2024 - \$nil).

Included in cash and temporary investments is a restricted amount of \$46,000 (2024 - \$21,074) received from various grant programs which are held exclusively for approved projects (Note 4).

**3. RECEIVABLES**

	<u>2025</u>	<u>2024</u>
<b>Property taxes</b>		
Current taxes and grants in place of taxes	\$ 20,989	\$ 17,371
Arrears taxes	7,670	3,505
	<u>28,659</u>	<u>20,876</u>
<b>Trade and other receivables</b>		
Grants	282,093	99,978
Utilities	24,647	23,213
Goods and Services Tax (GST)	16,667	17,218
Miscellaneous	7,451	3,176
	<u>330,858</u>	<u>143,585</u>

**4. DEFERRED REVENUE**

	Balance, beginning of year	Received	Recognized	Balance, end of year
Local grants	\$ -	\$ 46,000	\$ -	\$ 46,000
Prepaid property taxes	27,361	27,548	27,361	27,548
Prepaid user fees	2,603	1,006	2,603	1,006
Alberta Community Partnership	21,074	-	21,074	-
	<u>\$ 51,038</u>	<u>\$ 74,554</u>	<u>\$ 51,038</u>	<u>\$ 74,554</u>

Included in Alberta Community Partnership amount recognized is \$12,002 of unused grant funds repaid to Alberta Community Partnership.

**VILLAGE OF GLENWOOD**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**5. CONTAMINATED SITES LIABILITY**

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities (2024 - nil) as a result of this standard.

**6. ASSET RETIREMENT OBLIGATION**

The Village has adopted PS3280 Asset Retirement Obligation in the year. The Village did not identify any financial liabilities (2024 - nil) as a result of this standard.

**7. DEBT LIMITS**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Village be disclosed as follows:

	<u>2025</u>	<u>2024</u>
Total debt limit	\$ 887,660	\$ 976,455
Total debt	-	-
Amount of debt limit unused	<u>887,660</u>	<u>976,455</u>
Debt servicing limit	147,943	162,743
Debt servicing	-	-
Amount of debt servicing limit unused	<u>147,943</u>	<u>162,743</u>

The debt limit is calculated at 1.5 times revenue of the Village (as defined in Alberta Regulation 255/2000) 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 Village. Rather, the consolidated financial statements must be interpreted as a whole.

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2025</u>	<u>2024</u>
Tangible capital assets (Schedule 2)	\$ 8,382,630	\$ 9,278,730
Accumulated amortization (Schedule 2)	<u>(5,548,873)</u>	<u>(5,824,486)</u>
	<u>\$ 2,833,757</u>	<u>\$ 3,454,244</u>

**VILLAGE OF GLENWOOD**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**9. ACCUMULATED SURPLUS**

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

	<u>2025</u>	<u>2024</u>
Unrestricted surplus	\$ 257,236	\$ 262,992
Restricted surplus	546,007	346,007
Equity in tangible capital assets (Note 8)	<u>2,833,757</u>	<u>3,454,244</u>
	<u>\$ 3,637,000</u>	<u>\$ 4,063,243</u>

**10. BUDGET AMOUNTS**

The 2025 budget for the Village was approved by Council on May 14, 2025 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers and capital expenses. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these consolidated financial statements.

	<u>2025</u>	<u>2024</u>
Surplus per financial statements	\$ 399,515	\$ 61,765
Less: Capital expenses, net	(373,000)	(234,000)
Transfer to reserves	(220,915)	(20,165)
Add: Amortization of tangible capital assets	155,400	192,400
Transfers from reserves	<u>39,000</u>	<u>-</u>
Equals approved budget	<u>\$ -</u>	<u>\$ -</u>

**11. SEGMENTED DISCLOSURE**

The Village 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 consolidated financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

**VILLAGE OF GLENWOOD**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

**12. FRANCHISE AND CONCESSION CONTRACTS**

Disclosure of franchise fees under each utility franchise agreement entered into by the Village as required by Alberta Regulation 313/2000 is as follows:

	Budget (Unaudited)	2025	2024
Fortis	\$ 8,900	\$ 11,202	\$ 11,133
ATCO	8,700	7,982	8,199
Xplornet	-	1,765	541
Utilnet	-	364	316
	\$ 17,600	\$ 21,313	\$ 20,189

**13. SALARY AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for Village officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits & Allowances (2)	2025	2024
Mayor Allred	\$ 3,150	\$ -	\$ 3,150	\$ 2,450
Mayor Peterson	2,100	56	2,156	1,157
Councillor Doney	625	20	645	-
Councillor Ford	875	35	910	-
Councillor Lybbert, D.	2,025	-	2,025	1,550
Councillor Lybbert, S.	3,675	184	3,859	2,843
Councillor Wickhorst	1,750	-	1,750	1,500
Chief Administrative Officer	84,206	5,713	89,919	89,300
Designated Officer - 1 position	9,597	-	9,597	9,339

(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, if any.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, car and travel allowances, conferences, and memberships, if any.

**14. COMMITMENTS AND CONTINGENCIES**

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village could become liable for its proportionate share 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.

## **VILLAGE OF GLENWOOD**

### **Notes to Consolidated Financial Statements**

**Year Ended December 31, 2025**

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#### **15. FINANCIAL INSTRUMENTS**

The Village's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Village 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 Village 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.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

#### **16. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation. The changes do not affect prior year earnings.

#### **17. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Council and Management have approved these consolidated financial statements.