

**VILLAGE OF GLENWOOD**  
**Financial Statements**  
**Year Ended December 31, 2019**

VILLAGE OF GLENWOOD  
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Year Ended December 31, 2019

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

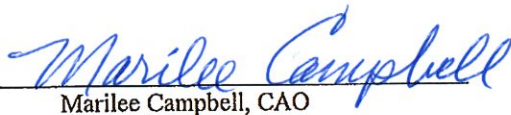
The consolidated financial statements are the responsibility of the management of the Village of Glenwood (the Village).

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 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 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 financial statements and discussions with the auditors, the Council approves the 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.

  
Marilee Campbell, CAO

Glenwood, AB



## INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the Village of Glenwood

### Opinion

We have audited the financial statements of Village of Glenwood (the Town), which comprise the consolidated statement of financial position as at December 31, 2019, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2019, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Town'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)

Independent Auditor's Report to the Members of Village of Glenwood *(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 Town'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 Town'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 Town 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.

Lethbridge, Alberta  
April 9, 2020

*Shawn Cook*  
*Professional Corporation*

Chartered Professional Accountants

**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Financial Position**  
**December 31, 2019**

**FINANCIAL ASSETS**

Cash and temporary investments (Note 2)	\$ 408,370	\$ 332,062
Taxes and grants in places of taxes receivable (Note 3)	40,179	27,393
Trade and other receivable (Note 3)	88,210	96,516
	<u>536,759</u>	<u>455,971</u>

**LIABILITIES**

Accounts payable and accrued liabilities	62,653	40,173
Deferred revenue (Note 4)	72,000	70,543
	<u>134,653</u>	<u>110,716</u>

**NET FINANCIAL ASSETS**

	<u>402,106</u>	<u>345,255</u>
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**NON-FINANCIAL ASSETS**

Tangible capital assets (Schedule 2)	3,276,957	3,362,385
Inventory for consumption	6,311	2,425
Prepaid expenses	1,525	-
	<u>3,284,793</u>	<u>3,364,810</u>

**ACCUMULATED SURPLUS (Schedule 1 and Note 7)**

	<u>\$ 3,686,899</u>	<u>\$ 3,710,065</u>
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**CONTINGENCIES (Note 10)**

Approved on behalf of Council:

David Rolfsen Councilor  
Barton Lybbet Councilor

**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2019**

	Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Net municipal taxes <i>(Schedule 3)</i>	\$ 245,691	\$ 244,841	\$ 233,501
User fees and sales of goods	167,580	205,591	172,960
Pioneer Parlour revenue	47,600	45,806	42,868
Government transfers for operating <i>(Schedule 4)</i>	34,832	34,147	44,177
Franchise and concession contracts	8,800	18,354	3,322
Investment income	3,500	5,804	3,204
Other revenue	1,900	2,656	7,582
Penalties and costs of taxes	4,500	2,116	4,783
Licenses and permits	440	865	1,560
	<u>514,843</u>	<u>560,180</u>	<u>513,957</u>
<b>EXPENSES</b>			
Legislative	22,000	16,849	20,720
Administration	199,825	195,330	232,412
Fire services	14,417	12,964	14,421
Public Works	65,100	67,731	70,968
Wastewater treatment and disposal	8,850	6,058	23,184
Water supply and distribution	94,110	85,086	100,211
Waste management	10,700	10,919	6,913
Parks and recreation	9,950	10,416	13,210
Cemeteries and crematoriums	3,350	4,851	2,929
Culture - libraries, museums, halls	38,941	40,342	44,272
Pioneer Parlour	47,600	51,872	40,320
Amortization	220,000	178,645	219,863
	<u>734,843</u>	<u>681,063</u>	<u>789,423</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER</b>	(220,000)	(120,883)	(275,466)
<b>OTHER</b>			
Government transfers for capital <i>(Schedule 4)</i>	207,127	97,717	196,149
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	(12,873)	(23,166)	(79,317)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	3,710,065	3,710,065	3,789,382
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 3,697,192</u>	<u>\$ 3,686,899</u>	<u>\$ 3,710,065</u>

**VILLAGE OF GLENWOOD****Consolidated Statement of Changes in Net Financial Assets****Year Ended December 31, 2019**

	Budget (Unaudited)	2019	2018
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	\$ (12,873)	\$ (23,166)	\$ (79,317)
Amortization of tangible capital assets	220,000	178,645	219,863
Acquisition of tangible capital assets	(207,127)	(93,217)	(196,149)
	12,873	85,428	23,714
Use of prepaid expenses	-	(1,525)	1,370
Decrease (increase) in inventory for consumption	-	(3,886)	368
	-	(5,411)	1,738
	12,873	80,017	25,452
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	-	56,851	(53,865)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	345,255	345,255	399,120
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 345,255	\$ 402,106	\$ 345,255



**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING</b>		
Deficiency of revenues over expenses	\$ (23,166)	\$ (79,317)
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	178,645	219,863
	<u>155,479</u>	<u>140,546</u>
Changes in non-cash working capital:		
Taxes and grants in places of taxes receivable	(12,786)	28,577
Trade and other receivable	8,306	381,461
Accounts payable and accrued liabilities	22,480	(7,270)
Deferred revenue	1,457	20,543
Inventory for consumption	(3,886)	368
Prepaid expenses	(1,525)	1,370
	<u>14,046</u>	<u>425,049</u>
	<u>169,525</u>	<u>565,595</u>
<b>CAPITAL</b>		
Purchase of tangible capital assets	(93,217)	(196,149)
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>	<b>76,308</b>	<b>369,446</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>332,062</b>	<b>(37,384)</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR (Note 2)</b>	<b>\$ 408,370</b>	<b>\$ 332,062</b>

VILLAGE OF GLENWOOD

Schedule of Changes in Accumulated Surplus

(Schedule 1)

Year Ended December 31, 2019

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2019	2018
<b>BALANCE, BEGINNING OF THE YEAR</b>	\$ 345,680	\$ 2,000	\$ 3,362,385	\$ 3,710,065	\$ 3,789,382
Excess of revenues over expenses	(23,166)	-	-	(23,166)	(79,317)
Unrestricted funds designated for future use	(57,762)	57,762	-	-	-
Current year funds used for tangible capital assets	(93,217)	-	93,217	-	-
Annual amortization expense	178,645	-	(178,645)	-	-
Change in accumulated surplus	4,500	57,762	(85,428)	3,686,899	3,710,065
<b>BALANCE, END OF THE YEAR</b>	\$ 350,180	\$ 59,762	\$ 3,276,957	\$ 3,686,899	\$ 3,710,065

VILLAGE OF GLENWOOD

Schedule of Tangible Capital Assets

Year Ended December 31, 2019

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	2019	2018
<b>COST</b>							
BALANCE, BEGINNING OF YEAR \$	97,757	322,566	938,698	6,393,824	374,835	\$ 8,127,680	\$ 7,941,268
Acquisition of tangible capital assets	-	-	7,326	74,257	11,634	93,217	196,149
Disposal of tangible capital assets	-	-	-	-	-	-	(9,737)
<b>BALANCE, END OF YEAR</b>	<b>97,757</b>	<b>322,566</b>	<b>946,024</b>	<b>6,468,081</b>	<b>386,469</b>	<b>8,220,897</b>	<b>8,127,680</b>
<b>ACCUMULATED AMORTIZATION</b>							
BALANCE, BEGINNING OF YEAR	-	45,313	491,166	4,012,518	216,298	4,765,295	4,555,169
Annual amortization	-	12,903	18,302	125,429	22,011	178,645	219,863
Accumulated amortization on disposal	-	-	-	-	-	-	(9,737)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>58,216</b>	<b>509,468</b>	<b>4,137,947</b>	<b>238,309</b>	<b>4,943,940</b>	<b>4,765,295</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 97,757</b>	<b>\$ 264,350</b>	<b>\$ 436,556</b>	<b>\$ 2,330,134</b>	<b>\$ 148,160</b>	<b>\$ 3,276,957</b>	<b>\$ 3,362,385</b>
2018 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	277,253	447,532	2,381,306	158,537	\$ 3,362,385	

**VILLAGE OF GLENWOOD**  
**Schedule of Property and Other Taxes**  
**Year Ended December 31, 2019**

**(Schedule 3)**

	Budget (Unaudited)	2019	2018
<b>TAXATION</b>			
Real property taxes	\$ 309,603	\$ 308,097	\$ 294,330
Linear property taxes	13,656	14,004	12,961
	<u>323,259</u>	<u>322,101</u>	<u>307,291</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	71,650	71,342	68,250
Seniors foundation	5,871	5,871	5,520
Designated industrial property	47	47	20
	<u>77,568</u>	<u>77,260</u>	<u>73,790</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 245,691</u>	<u>\$ 244,841</u>	<u>\$ 233,501</u>

**VILLAGE OF GLENWOOD**  
**Schedule of Government Transfers**  
**Year Ended December 31, 2019**

(Schedule 4)

	Budget (Unaudited)	2019	2018
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 34,832	\$ 34,147	\$ 44,177
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	205,627	96,217	196,149
Other Local Government	1,500	1,500	-
	207,127	97,717	196,149
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 241,959</b>	<b>\$ 131,864</b>	<b>\$ 240,326</b>

**VILLAGE OF GLENWOOD**  
**Schedule of Consolidated Expenses by Object**  
**Year Ended December 31, 2019**

(Schedule 5)

	Budget (Unaudited)	2019	2018
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 230,450	\$ 234,108	\$ 254,721
Contracted and general services	137,480	119,646	149,455
Materials, goods and utilities	112,100	113,288	134,919
Transfers to local boards and agencies	32,063	32,647	27,787
Bank charges and short-term interest	2,750	2,729	2,678
Amortization of tangible capital assets	220,000	178,645	219,863
	<u>\$ 734,843</u>	<u>\$ 681,063</u>	<u>\$ 789,423</u>

**VILLAGE OF GLENWOOD**  
**Schedule of Segmented Disclosure**  
**Year Ended December 31, 2019**

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and development	Recreation and culture	Total
<b>REVENUE</b>							
Net municipal taxes	\$ 244,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,841
User fees and sales of goods	3,193	-	510	188,372	-	13,516	205,591
Government transfers	38,147	-	86,391	-	-	7,326	131,864
Other revenues	4,549	-	-	223	865	45,806	51,443
Franchise and concession contracts	18,354	-	-	-	-	-	18,354
Investment income	5,804	-	-	-	-	-	5,804
	314,888	-	86,901	188,595	865	66,648	657,897
<b>EXPENSES</b>							
Salaries, wages and benefits	119,634	250	41,720	37,553	-	34,951	234,108
Contracted and general services	73,682	1,750	1,406	21,705	1,681	19,422	119,646
Materials, goods, supplies and utilities	16,134	4,859	24,605	27,332	-	40,358	113,288
Transfers to local boards	-	6,105	-	15,473	3,863	7,206	32,647
Bank charges and short-term interest	2,729	-	-	-	-	-	2,729
Other expenses	-	-	-	-	-	-	-
	212,179	12,964	67,731	102,063	5,544	101,937	502,418
<b>NET REVENUE BEFORE AMORTIZATION</b>	102,709	(12,964)	19,170	86,532	(4,679)	(35,289)	155,479
Amortization expenses	7,408	10,350	38,012	100,688	-	22,187	178,645
<b>NET REVENUE</b>	\$ 95,301	\$ (23,314)	\$ (18,842)	\$ (14,156)	\$ (4,679)	\$ (57,476)	\$ (23,166)

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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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 expenditures, 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 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 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 financial statements and the reported amounts of revenues and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Investments

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

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.

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**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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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 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.

**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 Financial Statements**  
**Year Ended December 31, 2019**

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2019</u>	<u>2018</u>
Cash	<u>\$ 408,370</u>	<u>\$ 332,062</u>

The Village has a demand line of credit with ATB Financial with an authorized limit of \$100,000 which bears interest at 3.70%, secured by a general security agreement.

Included in cash and temporary investments is a restricted amount of \$72,000 (2018 - \$70,543) received from the Alberta Community Partnership, Fortis and EMPP which are held exclusively for approved projects (Note 4).

**3. RECEIVABLES**

	<u>2019</u>	<u>2018</u>
Property taxes		
Current taxes and grants in place of taxes	\$ 33,426	\$ 19,344
Arrears taxes	6,753	8,049
	<u>40,179</u>	<u>27,393</u>
Trade and other receivables		
Grants	65,084	65,410
Miscellaneous	12,709	15,305
Goods and Services Tax (GST)	10,172	10,308
Utilities	245	5,493
	<u>88,210</u>	<u>96,516</u>

**4. DEFERRED REVENUE**

	<u>2019</u>	<u>2018</u>
Alberta Community Partnership	\$ 68,500	\$ 70,543
Fortis Grant	2,500	-
EMPP Grant	1,000	-
	<u>\$ 72,000</u>	<u>\$ 70,543</u>

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

**5. 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 Village be disclosed as follows:

	<u>2019</u>	<u>2018</u>
Total debt limit	\$ 840,270	\$ 770,936
Total debt	-	-
Amount of debt limit unused	<u>840,270</u>	<u>770,936</u>
Debt servicing limit	140,045	128,489
Debt servicing	-	-
Amount of debt servicing limit unused	<u>140,045</u>	<u>128,489</u>

The debt limit is calculated at 1.5 times revenue of the Village (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these 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 financial statements must be interpreted as a whole.

**6. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2019</u>	<u>2018</u>
Tangible capital assets (Schedule 2)	\$ 8,220,897	\$ 8,127,680
Accumulated amortization (Schedule 2)	<u>(4,943,940)</u>	<u>(4,765,295)</u>
	<u>\$ 3,276,957</u>	<u>\$ 3,362,385</u>

**7. ACCUMULATED SURPLUS**

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

	<u>2019</u>	<u>2018</u>
Unrestricted surplus	\$ 350,180	\$ 345,680
Restricted surplus	59,762	2,000
Equity in tangible capital assets	<u>3,276,957</u>	<u>3,362,385</u>
	<u>\$ 3,686,899</u>	<u>\$ 3,710,065</u>

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**8. 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 financial statements as disclosed in Note 1.

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

**9. 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)	2019	2018
Mayor Elias	\$ 1,200	\$ -	\$ 1,200	\$ 1,750
Councilor Carter	1,900	-	1,900	1,800
Councilor Lybbert, B.	1,050	-	1,050	1,100
Councilor Lybbert, M.	2,350	-	2,350	2,100
Councilor Rolfson	2,650	-	2,650	3,000
Chief Administrative Officer - Parsons	-	-	-	66,454
Chief Administrative Officer - Campbell	44,316	10,658	54,974	13,197

(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.

**10. 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.

Employees of the Village are allowed to accrue sick leave up to a maximum of 30 days. As at December 31, 2019 the amount of accumulated sick leave was \$14,649. The total amount was not recorded in the financial statements as there is no certainty the full amount will be used. The amount of accumulated sick leave is not paid out to employees of the Village when they leave their position.

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**11. 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.

**12. SUBSEQUENT EVENTS**

Since December 31, 2019 the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Government and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Village.

**13. 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.

**14. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.