

VILLAGE OF GLENWOOD
Financial Statements
Year Ended December 31, 2020

VILLAGE OF GLENWOOD
Index to Financial Statements
Year Ended December 31, 2020

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Schedule of Changes in Accumulated Surplus (<i>Schedule 1</i>)	8
Schedule of Tangible Capital Assets (<i>Schedule 2</i>)	9
Schedule of Property and Other Taxes (<i>Schedule 3</i>)	10
Schedule of Government Transfers (<i>Schedule 4</i>)	11
Schedule of Consolidated Expenses by Object (<i>Schedule 5</i>)	12
Schedule of Segmented Disclosure (<i>Schedule 6</i>)	13
Notes to Financial Statements	14 - 19

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.


Carrie Kinahan, 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 Village), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated 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 Village as at December 31, 2020, 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 Village 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 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 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 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 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 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.

Shawn Cook
Professional Corporation

Lethbridge, Alberta
April 8, 2021


Chartered Professional Accountants




VILLAGE OF GLENWOOD**Consolidated Statement of Financial Position****December 31, 2020**

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 486,664	\$ 408,370
Taxes and grants in places of taxes receivable <i>(Note 3)</i>	34,055	40,179
Trade and other receivable <i>(Note 3)</i>	82,173	88,210
	<u>602,892</u>	<u>536,759</u>
LIABILITIES		
Accounts payable and accrued liabilities	79,013	62,653
Deferred revenue <i>(Note 4)</i>	76,981	72,000
	<u>155,994</u>	<u>134,653</u>
NET FINANCIAL ASSETS	<u>446,898</u>	<u>402,106</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	3,392,632	3,276,957
Inventory for consumption	4,978	6,311
Prepaid expenses	-	1,525
	<u>3,397,610</u>	<u>3,284,793</u>
ACCUMULATED SURPLUS <i>(Schedule 1 and Note 7)</i>	<u>\$ 3,844,508</u>	<u>\$ 3,686,899</u>

CONTINGENCIES *(Note 10)***Approved on behalf of Council:**

 Councilor

 Councilor

VILLAGE OF GLENWOOD
Consolidated Statement of Operations
Year Ended December 31, 2020

	Budget (Unaudited)	2020	2019
REVENUE			
Net municipal taxes <i>(Schedule 3)</i>	\$ 245,154	\$ 245,774	\$ 244,841
User fees and sales of goods	185,155	211,523	205,591
Pioneer Parlour revenue	33,000	44,389	45,806
Government transfers for operating <i>(Schedule 4)</i>	35,107	62,147	34,147
Franchise and concession contracts	18,000	12,083	18,354
Penalties and costs of taxes	4,500	4,329	2,116
Other revenue	5,900	4,225	2,656
Investment income	3,500	3,307	5,804
Licenses and permits	440	634	865
	530,756	588,411	560,180
EXPENSES			
Legislative	20,500	9,344	16,849
Administration	208,370	197,800	202,738
Bylaw enforcement	5,585	5,585	-
Fire services	32,799	23,549	23,314
Public Works	109,998	104,292	105,742
Wastewater treatment and disposal	8,750	13,962	6,058
Water supply and distribution	227,853	197,767	185,775
Waste management	12,737	22,338	10,919
Parks and recreation	37,930	33,970	32,603
Cemeteries and crematoriums	6,850	9,357	4,851
Culture - libraries, museums, halls	42,796	37,315	40,342
Pioneer Parlour	33,000	48,208	51,872
	747,168	703,487	681,063
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER	(216,412)	(115,076)	(120,883)
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	340,850	272,685	97,717
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	124,438	157,609	(23,166)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,686,899	3,686,899	3,710,065
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,811,337	\$ 3,844,508	\$ 3,686,899

VILLAGE OF GLENWOOD**Consolidated Statement of Changes in Net Financial Assets****Year Ended December 31, 2020**

	Budget (Unaudited)	2020	2019
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 124,438	\$ 157,609	\$ (23,166)
Amortization of tangible capital assets	224,400	180,763	178,645
Acquisition of tangible capital assets	(340,850)	(296,438)	(93,217)
	(116,450)	(115,675)	85,428
Use of prepaid expenses	-	1,525	(1,525)
Decrease (increase) in inventory for consumption	-	1,333	(3,886)
	-	2,858	(5,411)
	(116,450)	(112,817)	80,017
INCREASE IN NET FINANCIAL ASSETS	7,988	44,792	56,851
NET FINANCIAL ASSETS, BEGINNING OF YEAR	402,106	402,106	345,255
NET FINANCIAL ASSETS, END OF YEAR	\$ 410,094	\$ 446,898	\$ 402,106

VILLAGE OF GLENWOOD**Consolidated Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
OPERATING		
Excess (deficiency) of revenues over expenses	\$ 157,609	\$ (23,166)
Non-cash items included in excess (deficiency) of revenues over expenses		
Amortization of tangible capital assets	180,763	178,645
	<u>338,372</u>	<u>155,479</u>
Changes in non-cash working capital:		
Taxes and grants in places of taxes receivable	6,124	(12,786)
Trade and other receivable	6,037	8,306
Accounts payable and accrued liabilities	16,360	22,480
Deferred revenue	4,981	1,457
Inventory for consumption	1,333	(3,886)
Prepaid expenses	1,525	(1,525)
	<u>36,360</u>	<u>14,046</u>
	<u>374,732</u>	<u>169,525</u>
CAPITAL		
Purchase of tangible capital assets	<u>(296,438)</u>	<u>(93,217)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR	78,294	76,308
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	408,370	332,062
CASH AND TEMPORARY INVESTMENTS, END OF YEAR (Note 2)	\$ 486,664	\$ 408,370

VILLAGE OF GLENWOOD**Schedule of Changes in Accumulated Surplus****(Schedule 1)****Year Ended December 31, 2020**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2020	2019
BALANCE, BEGINNING OF THE YEAR	\$ 350,180	\$ 59,762	\$ 3,276,957	\$ 3,686,899	\$ 3,710,065
Excess (deficiency) of revenues over expenses	157,609	-	-	157,609	(23,166)
Unrestricted funds designated for future use	(61,111)	61,111	-	-	-
Current year funds used for tangible capital assets	(296,438)	-	296,438	-	-
Annual amortization expense	180,763	-	(180,763)	-	-
Change in accumulated surplus	(19,177)	61,111	115,675	3,844,508	3,686,899
BALANCE, END OF THE YEAR	\$ 331,003	\$ 120,873	\$ 3,392,632	\$ 3,844,508	\$ 3,686,899

VILLAGE OF GLENWOOD
Schedule of Tangible Capital Assets
Year Ended December 31, 2020

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	2020	2019
COST							
BALANCE, BEGINNING OF YEAR	\$ 97,757	\$ 322,566	\$ 946,024	\$ 6,468,081	\$ 386,469	\$ 8,220,897	\$ 8,127,680
Acquisition of tangible capital assets	-	-	3,490	282,209	10,739	296,438	93,217
Disposal of tangible capital assets	-	-	-	(147,103)	-	(147,103)	-
BALANCE, END OF YEAR	97,757	322,566	949,514	6,603,187	397,208	8,370,232	8,220,897
ACCUMULATED AMORTIZATION							
BALANCE, BEGINNING OF YEAR	-	58,216	509,468	4,137,947	238,309	4,943,940	4,765,295
Annual amortization	-	12,903	18,372	126,169	23,319	180,763	178,645
Accumulated amortization on disposals	-	-	-	(147,103)	-	(147,103)	-
BALANCE, END OF YEAR	-	71,119	527,840	4,117,013	261,628	4,977,600	4,943,940
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	\$ 251,447	\$ 421,674	\$ 2,486,174	\$ 135,580	\$ 3,392,632	\$ 3,276,957
2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	\$ 264,350	\$ 436,556	\$ 2,330,134	\$ 148,160	\$ 3,276,957	

VILLAGE OF GLENWOOD**Schedule of Property and Other Taxes****(Schedule 3)****Year Ended December 31, 2020**

	Budget (Unaudited)	2020	2019
TAXATION			
Real property taxes	\$ 308,129	\$ 306,505	\$ 308,050
Linear property taxes	14,000	16,244	14,004
	322,129	322,749	322,054
REQUISITIONS			
Alberta School Foundation Fund	71,146	71,146	71,342
Seniors foundation	5,829	5,829	5,871
	76,975	76,975	77,213
NET MUNICIPAL PROPERTY TAXES	\$ 245,154	\$ 245,774	\$ 244,841

VILLAGE OF GLENWOOD
Schedule of Government Transfers
Year Ended December 31, 2020

(Schedule 4)

	Budget (Unaudited)	2020	2019
TRANSFERS FOR OPERATING			
Provincial Government	\$ 35,107	\$ 62,147	\$ 34,147
TRANSFERS FOR CAPITAL			
Provincial Government	340,850	263,708	96,217
Other Local Government	-	8,977	1,500
	340,850	272,685	97,717
TOTAL GOVERNMENT TRANSFERS	\$ 375,957	\$ 334,832	\$ 131,864

VILLAGE OF GLENWOOD**Schedule of Consolidated Expenses by Object
Year Ended December 31, 2020****(Schedule 5)**

	Budget (Unaudited)	2020	2019
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 224,850	\$ 235,768	\$ 234,108
Contracted and general services	128,580	142,517	119,646
Materials, goods and utilities	119,400	106,719	113,288
Transfers to local boards and agencies	47,188	35,967	32,647
Bank charges and short-term interest	2,750	1,753	2,729
Amortization of tangible capital assets	224,400	180,763	178,645
	<u>\$ 747,168</u>	<u>\$ 703,487</u>	<u>\$ 681,063</u>

VILLAGE OF GLENWOOD
Schedule of Segmented Disclosure
Year Ended December 31, 2020

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and development	Recreation and culture	Total
REVENUE							
Net municipal taxes	\$ 245,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,774
User fees and sales of goods	3,245	-	417	197,805	-	10,056	211,523
Government transfers	62,147	-	165,385	107,300	-	-	334,832
Other revenues	8,195	-	-	359	634	44,389	53,577
Franchise and concession contracts	12,083	-	-	-	-	-	12,083
Investment income	3,307	-	-	-	-	-	3,307
	334,751	-	165,802	305,464	634	54,445	861,096
EXPENSES							
Salaries, wages and benefits	120,018	150	42,925	37,698	-	34,977	235,768
Contracted and general services	65,416	1,185	2,564	44,858	7,115	21,379	142,517
Materials, goods, supplies and utilities	11,241	5,738	22,555	31,391	-	35,794	106,719
Transfers to local boards	-	11,711	-	16,928	-	7,328	35,967
Bank charges and short-term interest	1,753	-	-	-	-	-	1,753
	198,428	18,784	68,044	130,875	7,115	99,478	522,724
NET REVENUE BEFORE AMORTIZATION	136,323	(18,784)	97,758	174,589	(6,481)	(45,033)	338,372
Amortization expense	8,716	10,350	36,248	103,192	-	22,257	180,763
NET REVENUE	\$ 127,607	\$ (29,134)	\$ 61,510	\$ 71,397	\$ (6,481)	\$ (67,290)	\$ 157,609

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2020

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.

(continues)

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2020

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:

	Years
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, 2020

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	<u>\$ 486,664</u>	<u>\$ 408,370</u>

The Village has a demand line of credit with ATB Financial with an authorized limit of \$100,000 which bears interest at 3.45%, secured by a general security agreement.

Included in cash and temporary investments is a restricted amount of \$76,981 (2019 - \$72,000) received from various grant programs which are held exclusively for approved projects (Note 4).

3. RECEIVABLES

	<u>2020</u>	<u>2019</u>
Property taxes		
Current taxes and grants in place of taxes	\$ 23,669	\$ 33,426
Arrears taxes	<u>10,386</u>	<u>6,753</u>
	<u>34,055</u>	<u>40,179</u>
Trade and other receivables		
Grants	37,931	65,084
Goods and Services Tax (GST)	20,976	10,172
Miscellaneous	16,172	12,709
Utilities	<u>7,094</u>	<u>245</u>
	<u>82,173</u>	<u>88,210</u>

4. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Alberta Community Partnership	\$ 68,500	\$ 68,500
Municipal Operating Support Transfer	6,458	-
Fortis Grant	1,023	2,500
EMPP Grant	<u>1,000</u>	<u>1,000</u>
	<u>\$ 76,981</u>	<u>\$ 72,000</u>

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2020

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>2020</u>	<u>2019</u>
Total debt limit	\$ 882,617	\$ 840,270
Total debt	-	-
Amount of debt limit unused	<u>882,617</u>	<u>840,270</u>
Debt servicing limit	147,103	140,045
Debt servicing	-	-
Amount of debt servicing limit unused	<u>147,103</u>	<u>140,045</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>2020</u>	<u>2019</u>
Tangible capital assets (Schedule 2)	\$ 8,370,232	\$ 8,220,897
Accumulated amortization (Schedule 2)	<u>(4,977,600)</u>	<u>(4,943,940)</u>
	<u>\$ 3,392,632</u>	<u>\$ 3,276,957</u>

7. ACCUMULATED SURPLUS

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

	<u>2020</u>	<u>2019</u>
Unrestricted surplus	\$ 331,003	\$ 350,180
Restricted surplus	120,873	59,762
Equity in tangible capital assets	<u>3,392,632</u>	<u>3,276,957</u>
	<u>\$ 3,844,508</u>	<u>\$ 3,686,899</u>

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2020

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)	2020	2019
Mayor Elias	\$ 900	\$ -	\$ 900	\$ 1,200
Councilor Carter	1,700	3	1,703	1,900
Councilor Clark	350	-	350	-
Councilor Lybbert, B.	950	-	950	1,050
Councilor Lybbert, M.	250	-	250	2,350
Councilor Rolfson	1,850	8	1,858	2,650
Chief Administrative Officer - Campbell	24,258	6,199	30,457	54,974
Chief Administrative Officer - Kinahan	22,109	5,065	27,174	-
Designated Officer - 1 position	7,910	-	7,910	7,928

- (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.

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020 the amount of accumulated sick leave was \$10,747 (2019 - \$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.

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

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.