

**VILLAGE OF GLENWOOD**  
**Financial Statements**  
**Year Ended December 31, 2021**

**VILLAGE OF GLENWOOD**  
**Index to Financial Statements**  
**Year Ended December 31, 2021**

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	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, 2021, 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, 2021, 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 28, 2022

Chartered Professional Accountants





**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Financial Position**  
**December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 757,412	\$ 486,664
Taxes and grants in places of taxes receivable <i>(Note 3)</i>	27,398	34,055
Trade and other receivable <i>(Note 3)</i>	142,552	82,173
	<u>927,362</u>	<u>602,892</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	78,705	52,387
Employee benefit obligation	5,579	8,228
Deferred revenue <i>(Note 4)</i>	302,678	95,379
	<u>386,962</u>	<u>155,994</u>
<b>NET FINANCIAL ASSETS</b>	<u>540,400</u>	446,898
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 2)</i>	3,326,730	3,392,632
Inventory for consumption	6,608	4,978
	<u>3,333,338</u>	<u>3,397,610</u>
<b>ACCUMULATED SURPLUS</b> <i>(Schedule 1 and Note 7)</i>	<u>\$ 3,873,738</u>	<u>\$ 3,844,508</u>

**CONTINGENCIES** *(Note 10)*

Approved on behalf of Council:

 \_\_\_\_\_ Councilor  
 \_\_\_\_\_ Councilor

**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2021**

	Budget (Unaudited)	2021	2020
<b>REVENUE</b>			
Net municipal taxes <i>(Schedule 3)</i>	\$ 250,863	\$ 251,475	\$ 245,774
User fees and sales of goods	161,055	204,532	211,523
Pioneer Parlour revenue	40,200	42,337	44,389
Government transfers for operating <i>(Schedule 4)</i>	43,021	59,242	62,147
Franchise and concession contracts	12,400	8,323	12,083
Penalties and costs of taxes	4,500	3,867	4,329
Other revenue	5,050	4,023	4,225
Investment income	3,500	3,631	3,307
Licenses and permits	440	2,339	634
	521,029	579,769	588,411
<b>EXPENSES</b>			
Legislative	16,500	11,839	9,344
Administration	184,200	170,208	197,800
Bylaw enforcement	8,384	8,439	5,585
Fire services	28,100	24,670	23,549
Public Works	118,750	101,347	104,292
Wastewater treatment and disposal	8,950	4,088	13,962
Water supply and distribution	205,250	194,359	197,767
Waste management	13,408	12,908	22,338
Cemeteries and crematoriums	3,950	6,999	9,357
Land use planning and development	5,530	24,095	7,115
Parks and recreation	28,400	31,603	33,970
Culture - libraries, museums, halls	35,346	31,040	30,200
Pioneer Parlour	40,200	42,174	48,208
	696,968	663,769	703,487
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER</b>	(175,939)	(84,000)	(115,076)
<b>OTHER</b>			
Government transfers for capital <i>(Schedule 4)</i>	202,400	113,230	272,685
<b>EXCESS OF REVENUE OVER EXPENSES</b>	26,461	29,230	157,609
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	3,844,508	3,844,508	3,686,899
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 3,870,969	\$ 3,873,738	\$ 3,844,508

**VILLAGE OF GLENWOOD****Consolidated Statement of Changes in Net Financial Assets****Year Ended December 31, 2021**

	Budget (Unaudited)	2021	2020
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 26,461	\$ <b>29,230</b>	\$ 157,609
Amortization of tangible capital assets	184,900	<b>183,497</b>	180,763
Acquisition of tangible capital assets	(207,900)	<b>(117,595)</b>	(296,438)
	(23,000)	<b>65,902</b>	(115,675)
Use of prepaid expenses	-	-	1,525
Decrease (increase) in inventory for consumption	-	<b>(1,630)</b>	1,333
	-	<b>(1,630)</b>	2,858
	(23,000)	<b>64,272</b>	(112,817)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	3,461	<b>93,502</b>	44,792
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	446,898	<b>446,898</b>	402,106
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 450,359	\$ <b>540,400</b>	\$ 446,898



**VILLAGE OF GLENWOOD**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2021**

	2021	2020
<b>OPERATING</b>		
Excess of revenues over expenses	\$ 29,230	\$ 157,609
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	<u>183,497</u>	180,763
	<u>212,727</u>	338,372
Changes in non-cash working capital:		
Taxes and grants in places of taxes receivable	6,657	6,124
Trade and other receivable	(60,379)	6,037
Accounts payable and accrued liabilities	26,318	16,360
Employee benefit obligation	(2,649)	-
Deferred revenue	207,299	4,981
Inventory for consumption	(1,630)	1,333
Prepaid expenses	-	1,525
	<u>175,616</u>	36,360
	<u>388,343</u>	374,732
<b>CAPITAL</b>		
Purchase of tangible capital assets	<u>(117,595)</u>	(296,438)
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>		
	<u>270,748</u>	78,294
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>		
	<u>486,664</u>	408,370
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR (Note 2)</b>		
	<u>\$ 757,412</u>	\$ 486,664

**VILLAGE OF GLENWOOD**

**Schedule of Changes in Accumulated Surplus**

**(Schedule 1)**

**Year Ended December 31, 2021**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
<b>BALANCE, BEGINNING OF THE YEAR</b>	\$ 331,003	\$ 120,873	\$ 3,392,632	\$ <b>3,844,508</b>	\$ 3,686,899
Excess of revenues over expenses	29,230	-	-	<b>29,230</b>	157,609
Unrestricted funds designated for future use	(110,000)	110,000	-	-	-
Current year funds used for tangible capital assets	(117,595)	-	117,595	-	-
Annual amortization expense	183,497	-	(183,497)	-	-
Change in accumulated surplus	(14,868)	110,000	(65,902)	<b>29,230</b>	157,609
<b>BALANCE, END OF THE YEAR</b>	\$ 316,135	\$ 230,873	\$ 3,326,730	\$ <b>3,873,738</b>	\$ 3,844,508

**VILLAGE OF GLENWOOD**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2021**

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	2021	2020
<b>COST</b>							
BALANCE, BEGINNING OF YEAR	\$ 97,757	\$ 322,566	\$ 949,514	\$ 6,603,187	\$ 397,208	\$ 8,370,232	\$ 8,220,897
Acquisition of tangible capital assets	-	-	-	117,595	-	117,595	296,438
Disposal of tangible capital assets	-	-	-	-	-	-	(147,103)
BALANCE, END OF YEAR	97,757	322,566	949,514	6,720,782	397,208	8,487,827	8,370,232
<b>ACCUMULATED AMORTIZATION</b>							
BALANCE, BEGINNING OF YEAR	-	71,119	527,840	4,117,013	261,628	4,977,600	4,943,940
Annual amortization	-	12,903	18,372	128,903	23,319	183,497	180,763
Accumulated amortization on disposals	-	-	-	-	-	-	(147,103)
BALANCE, END OF YEAR	-	84,022	546,212	4,245,916	284,947	5,161,097	4,977,600
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 97,757</b>	<b>\$ 238,544</b>	<b>\$ 403,302</b>	<b>\$ 2,474,866</b>	<b>\$ 112,261</b>	<b>\$ 3,326,730</b>	<b>\$ 3,392,632</b>
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	\$ 251,448	\$ 421,673	\$ 2,486,174	\$ 135,580	\$ 3,392,632	

**VILLAGE OF GLENWOOD**  
**Schedule of Property and Other Taxes**  
**Year Ended December 31, 2021**

**(Schedule 3)**

	Budget (Unaudited)	2021	2020
<b>TAXATION</b>			
Real property taxes	\$ 314,033	\$ 312,188	\$ 306,505
Linear property taxes	14,300	16,757	16,244
	<u>328,333</u>	<u>328,945</u>	<u>322,749</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	71,737	71,737	71,146
Seniors foundation	5,733	5,733	5,829
	<u>77,470</u>	<u>77,470</u>	<u>76,975</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 250,863</u>	<u>\$ 251,475</u>	<u>\$ 245,774</u>

**VILLAGE OF GLENWOOD**  
**Schedule of Government Transfers**  
**Year Ended December 31, 2021**

**(Schedule 4)**

	Budget (Unaudited)	2021	2020
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 31,063	\$ 58,022	\$ 62,147
Other Local Government	11,958	1,220	-
	<u>43,021</u>	<u>59,242</u>	<u>62,147</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	202,400	113,230	263,708
Other Local Government	-	-	8,977
	<u>202,400</u>	<u>113,230</u>	<u>272,685</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 245,421</u>	<u>\$ 172,472</u>	<u>\$ 334,832</u>

**VILLAGE OF GLENWOOD****Schedule of Consolidated Expenses by Object  
Year Ended December 31, 2021****(Schedule 5)**

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	Budget (Unaudited)	2021	2020
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 213,250	\$ 199,424	\$ 235,769
Contracted and general services	132,580	105,574	142,517
Materials, goods and utilities	120,450	116,292	106,718
Transfers to local boards and agencies	43,038	57,264	35,967
Bank charges and short-term interest	2,750	1,718	1,753
Amortization of tangible capital assets	184,900	183,497	180,763
	<u>\$ 696,968</u>	<u>\$ 663,769</u>	<u>\$ 703,487</u>

**VILLAGE OF GLENWOOD**  
**Schedule of Segmented Disclosure**  
**Year Ended December 31, 2021**

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and development	Recreation and culture	Total
<b>REVENUE</b>							
Net municipal taxes	\$ 251,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,475
User fees and sales of goods	3,863	-	2,365	177,669	5,725	14,910	204,532
Government transfers	39,521	-	-	113,230	18,500	1,221	172,472
Other revenues	7,169	-	-	721	2,339	42,337	52,566
Franchise and concession contracts	8,323	-	-	-	-	-	8,323
Investment income	3,631	-	-	-	-	-	3,631
	313,982	-	2,365	291,620	26,564	58,468	692,999
<b>EXPENSES</b>							
Salaries, wages and benefits	95,844	151	42,668	34,241	4,688	21,832	199,424
Contracted and general services	62,256	1,205	1,842	17,577	6,652	16,042	105,574
Materials, goods, supplies and utilities	13,513	7,076	20,371	36,090	1,254	37,988	116,292
Transfers to local boards	-	14,327	-	17,739	18,500	6,698	57,264
Bank charges and short-term interest	1,718	-	-	-	-	-	1,718
	173,331	22,759	64,881	105,647	31,094	82,560	480,272
<b>NET REVENUE BEFORE AMORTIZATION</b>	140,651	(22,759)	(62,516)	185,973	(4,530)	(24,092)	212,727
Amortization expense	8,716	10,350	36,466	105,708	-	22,257	183,497
<b>NET REVENUE</b>	\$ 131,935	\$ (33,109)	\$ (98,982)	\$ 80,265	\$ (4,530)	\$ (46,349)	\$ 29,230

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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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.

*(continues)*



**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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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, 2021**

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Cash	\$ 757,412	\$ 486,664

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 \$279,761 (2020 - \$76,981) received from various grant programs which are held exclusively for approved projects (Note 4).

**3. RECEIVABLES**

	<u>2021</u>	<u>2020</u>
Property taxes		
Current taxes and grants in place of taxes	\$ 19,900	\$ 23,669
Arrears taxes	7,498	10,386
	<u>27,398</u>	<u>34,055</u>
Trade and other receivables		
Grants	128,167	37,931
Utilities	5,977	7,094
Miscellaneous	4,979	16,172
Goods and Services Tax (GST)	3,429	20,976
	<u>142,552</u>	<u>82,173</u>

**4. DEFERRED REVENUE**

	<u>2021</u>	<u>2020</u>
Municipal Sustainability Initiative - Capital Grant	\$ 227,758	\$ -
Alberta Community Partnership	50,000	68,500
Property taxes receivable	22,917	18,398
Fortis Grant	1,003	1,023
EMPP Grant	1,000	1,000
Municipal Operating Support Transfer	-	6,458
	<u>\$ 302,678</u>	<u>\$ 95,379</u>

**Municipal Sustainability Initiative**

Funding in the amount of \$281,815 was received in the current year from the Municipal Sustainability Initiative. Of the \$281,815, \$250,752 is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement, which were scheduled for completion in 2021. The remaining \$31,063 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement, which were also scheduled for completion in 2021.

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

**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>2021</u>	<u>2020</u>
Total debt limit	\$ 869,654	\$ 882,617
Total debt	-	-
Amount of debt limit unused	<u>869,654</u>	<u>882,617</u>
Debt servicing limit	144,942	147,103
Debt servicing	-	-
Amount of debt servicing limit unused	<u>144,942</u>	<u>147,103</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>2021</u>	<u>2020</u>
Tangible capital assets (Schedule 2)	\$ 8,487,827	\$ 8,370,232
Accumulated amortization (Schedule 2)	<u>(5,161,097)</u>	<u>(4,977,600)</u>
	<u>\$ 3,326,730</u>	<u>\$ 3,392,632</u>

**7. ACCUMULATED SURPLUS**

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

	<u>2021</u>	<u>2020</u>
Unrestricted surplus	\$ 316,135	\$ 331,003
Restricted surplus	230,873	120,873
Equity in tangible capital assets	<u>3,326,730</u>	<u>3,392,632</u>
	<u>\$ 3,873,738</u>	<u>\$ 3,844,508</u>

**VILLAGE OF GLENWOOD**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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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)	2021	2020
Mayor Allred	\$ 350	\$ -	\$ 350	\$ -
Mayor Elias	800	-	800	900
Councillor Carter	1,500	-	1,500	1,703
Councillor Clark	1,200	-	1,200	350
Councillor Holthe	450	-	450	-
Councillor Law	400	6	406	-
Councillor Lybbert, B.	750	-	750	950
Councillor Lybbert, M.	-	-	-	250
Councillor Lybbert, S.	300	-	300	-
Councillor Peterson	300	-	300	-
Councillor Rolfson	1,750	-	1,750	1,858
Chief Administrative Officer -Campbell	-	-	-	30,457
Chief Administrative Officer -Kinahan	59,390	14,064	73,454	27,174
Designated Officer - 1 position	7,963	-	7,963	7,910

(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, 2021**

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**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, 2021 the amount of accumulated sick leave was \$9,327 (2020 - \$10,747). 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. 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.

**13. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.