

VILLAGE OF GLENWOOD
Financial Statements
Year Ended December 31, 2023

VILLAGE OF GLENWOOD
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Year Ended December 31, 2023

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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.



GAQI

Glenwood, AB



INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the Village of Glenwood

Opinion

We have audited the consolidated financial statements of the Village of Glenwood (the Village), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, consolidated statement of changes in net financial assets and consolidated statement of 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, 2023, and the results of its operations, changes in 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.

(continues)

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 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
March 14, 2024

Chartered Professional Accountants

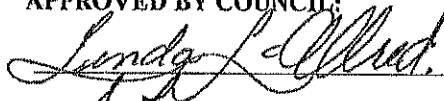
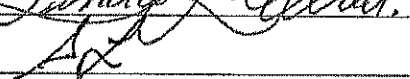


VILLAGE OF GLENWOOD
Consolidated Statement of Financial Position
December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 725,646	\$ 657,253
Taxes and grants in lieu of taxes receivable <i>(Note 3)</i>	32,319	43,405
Trade and other receivable <i>(Note 3)</i>	88,680	119,804
	<u>846,645</u>	<u>820,462</u>
LIABILITIES		
Accounts payable and accrued liabilities	21,669	48,664
Employee benefit obligation	9,360	7,864
Deferred revenue <i>(Note 4)</i>	208,960	292,851
	<u>239,989</u>	<u>349,379</u>
NET FINANCIAL ASSETS	<u>606,656</u>	<u>471,083</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	3,404,751	3,191,662
Inventory for consumption	4,371	4,371
Prepaid expenses	1,011	2,711
	<u>3,410,133</u>	<u>3,198,744</u>
ACCUMULATED SURPLUS <i>(Schedule 1 and Note 9)</i>	<u>\$ 4,016,789</u>	<u>\$ 3,669,827</u>

CONTINGENCIES *(Note 14)*

APPROVED BY COUNCIL:

 Councillor
 Councillor

VILLAGE OF GLENWOOD

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31, 2023

	Budget (Unaudited)	2023	2022
REVENUE			
Net municipal taxes <i>(Schedule 3)</i>	\$ 241,060	\$ 239,698	\$ 232,944
User fees and sales of goods	181,080	170,249	173,061
Government transfers for operating <i>(Schedule 4)</i>	63,120	62,126	40,228
Investment income	15,000	29,385	16,458
Franchise and concession contracts <i>(Note 12)</i>	16,800	21,931	8,330
Penalties and costs of taxes	3,700	6,813	5,401
Licenses and permits	640	1,820	6,180
Other revenue	11,200	10,896	7,911
	<u>532,600</u>	<u>542,918</u>	<u>490,513</u>
EXPENSES			
Legislative	20,500	14,774	16,428
Administration	191,300	202,849	278,029
Bylaw enforcement	14,170	4,444	8,460
Fire services	25,200	23,853	24,013
Public Works	129,400	152,330	118,383
Wastewater treatment and disposal	33,700	19,592	4,466
Water supply and distribution	188,350	204,442	171,481
Waste management	15,300	14,978	14,064
Cemeteries and crematoriums	3,850	3,945	4,540
Land use planning and development	6,130	7,423	7,574
Parks and recreation	50,000	37,215	29,899
Culture - libraries, museums, halls	39,800	37,610	44,499
	<u>717,700</u>	<u>723,455</u>	<u>721,836</u>
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER	(185,100)	(180,537)	(231,323)
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	484,000	527,499	27,412
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	298,900	346,962	(203,911)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,669,827</u>	<u>3,669,827</u>	<u>3,873,738</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 3,968,727</u>	<u>\$ 4,016,789</u>	<u>\$ 3,669,827</u>

VILLAGE OF GLENWOOD
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2023

	Budget (Unaudited)	2023	2022
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 298,900	\$ 346,962	\$ (203,911)
Amortization of tangible capital assets	188,600	239,160	185,397
Acquisition of tangible capital assets	(481,500)	(452,249)	(50,329)
	(292,900)	(213,089)	135,068
Use of prepaid expenses	-	1,700	(2,711)
Decrease in inventory for consumption	-	-	2,237
	-	1,700	(474)
	(292,900)	(211,389)	134,594
CHANGE IN NET FINANCIAL ASSETS	6,000	135,573	(69,317)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	471,083	471,083	540,400
NET FINANCIAL ASSETS, END OF YEAR	\$ 477,083	\$ 606,656	\$ 471,083

VILLAGE OF GLENWOOD
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING		
Excess (deficiency) of revenues over expenses	\$ 346,962	\$ (203,911)
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	<u>239,160</u>	<u>185,397</u>
	<u>586,122</u>	<u>(18,514)</u>
Changes in non-cash working capital:		
Taxes and grants in lieu of taxes receivable	11,086	(16,007)
Trade and other receivable	31,124	22,748
Accounts payable and accrued liabilities	(26,995)	(30,041)
Employee benefit obligation	1,496	2,285
Deferred revenue	(83,891)	(9,827)
Inventory for consumption	-	2,237
Prepaid expenses	<u>1,700</u>	<u>(2,711)</u>
	<u>(65,480)</u>	<u>(31,316)</u>
	<u>520,642</u>	<u>(49,830)</u>
CAPITAL		
Purchase of tangible capital assets	<u>(452,249)</u>	<u>(50,329)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR	68,393	(100,159)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>657,253</u>	<u>757,412</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR (Note 2)	<u>\$ 725,646</u>	<u>\$ 657,253</u>

VILLAGE OF GLENWOOD

Schedule of Changes in Accumulated Surplus

Year Ended December 31, 2023

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF THE YEAR	\$ 231,165	\$ 247,000	\$ 3,191,662	\$ 3,669,827	\$ 3,873,738
Excess (deficiency) of revenues over expenses	346,962	-	-	346,962	(203,911)
Unrestricted funds designated for future use	(109,725)	109,725	-	-	-
Current year funds used for tangible capital assets	(452,249)	-	452,249	-	-
Annual amortization expense	239,160	-	(239,160)	-	-
Change in accumulated surplus	24,148	109,725	213,089	346,957	(203,911)
BALANCE, END OF THE YEAR	\$ 255,313	\$ 356,725	\$ 3,404,751	\$ 4,016,789	\$ 3,669,827

VILLAGE OF GLENWOOD
Schedule of Tangible Capital Assets
Year Ended December 31, 2023

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	2023	2022
COST							
BALANCE, BEGINNING OF YEAR	\$ 97,757	\$ 322,566	\$ 954,339	\$ 6,720,782	\$ 442,713	\$ 8,538,157	\$ 8,487,827
Acquisition of tangible capital assets	-	-	30,075	374,718	17,870	422,663	30,437
Construction in-progress	-	-	-	29,586	-	29,586	19,892
BALANCE, END OF YEAR	97,757	322,566	984,414	7,125,086	460,583	8,990,406	8,538,156
ACCUMULATED AMORTIZATION							
BALANCE, BEGINNING OF YEAR	-	96,923	564,779	4,374,820	309,974	5,346,495	5,161,097
Annual amortization	-	12,903	19,064	181,284	25,909	239,160	185,397
BALANCE, END OF YEAR	-	109,826	583,843	4,556,104	335,883	5,585,655	5,346,494
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	\$ 212,740	\$ 400,571	\$ 2,568,982	\$ 124,700	\$ 3,404,751	\$ 3,191,662
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 97,757	\$ 225,643	\$ 389,560	\$ 2,345,962	\$ 132,739	\$ 3,191,662	

VILLAGE OF GLENWOOD
Schedule of Property and Other Taxes
Year Ended December 31, 2023

(Schedule 3)

	Budget (Unaudited)	2023	2022
TAXATION			
Real property taxes	\$ 307,320	\$ 304,779	\$ 297,788
Linear property taxes	15,240	16,472	18,469
	<u>322,560</u>	<u>321,251</u>	<u>316,257</u>
REQUISITIONS			
Alberta School Foundation Fund	75,800	75,834	77,252
Seniors foundation	5,700	5,719	6,061
	<u>81,500</u>	<u>81,553</u>	<u>83,313</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 241,060</u>	<u>\$ 239,698</u>	<u>\$ 232,944</u>

VILLAGE OF GLENWOOD
Schedule of Government Transfers
Year Ended December 31, 2023

(Schedule 4)

	Budget (Unaudited)	2023	2022
TRANSFERS FOR OPERATING			
Provincial Government	\$ 62,120	\$ 62,126	\$ 40,228
Other Local Government	1,000	-	-
	<u>63,120</u>	<u>62,126</u>	<u>40,228</u>
TRANSFERS FOR CAPITAL			
Provincial Government	470,000	452,443	21,588
Other Local Government	14,000	75,056	5,824
	<u>484,000</u>	<u>527,499</u>	<u>27,412</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 547,120</u>	<u>\$ 589,625</u>	<u>\$ 67,640</u>

VILLAGE OF GLENWOOD

**Schedule of Consolidated Expenses by Object
Year Ended December 31, 2023**

(Schedule 5)

	Budget (Unaudited)	2023	2022
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 203,850	\$ 195,225	\$ 239,314
Contracted and general services	140,630	145,281	143,045
Materials, goods and utilities	132,800	102,587	110,208
Transfers to local boards and agencies	49,070	39,589	40,717
Bank charges and short-term interest	2,750	1,613	3,155
Amortization of tangible capital assets	188,600	239,160	185,397
	<u>\$ 717,700</u>	<u>\$ 723,455</u>	<u>\$ 721,836</u>

VILLAGE OF GLENWOOD
Schedule of Segmented Disclosure
Year Ended December 31, 2023

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning and development	Recreation and culture	Total
REVENUE							
Net municipal taxes	\$ 239,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,698
Government transfers	100,391	-	245,555	231,795	9,920	1,964	589,625
User fees and sales of goods	4,776	-	280	147,132	2,088	15,973	170,249
Investment income	29,385	-	-	-	-	-	29,385
Franchise and concession contracts	21,931	-	-	-	-	-	21,931
Other revenues	13,437	-	-	1,272	1,820	3,000	19,529
	409,618	-	245,835	380,199	13,828	20,937	1,070,417
EXPENSES							
Salaries, wages and benefits	95,238	-	45,973	47,993	2,931	3,090	195,225
Contracted and general services	96,384	2,201	-	25,118	4,570	17,008	145,281
Materials, goods, supplies and utilities	13,317	6,082	23,427	37,066	1,014	21,681	102,587
Transfers to local boards	-	9,664	-	19,866	2,853	7,206	39,589
Bank charges and short-term interest	1,613	-	-	-	-	-	1,613
	206,552	17,947	69,400	130,043	11,368	48,985	484,295
NET REVENUE BEFORE AMORTIZATION	203,066	(17,947)	176,435	250,156	2,460	(28,048)	586,122
Amortization expense	11,071	10,350	82,930	108,969	-	25,840	239,160
NET REVENUE	\$ 191,995	\$ (28,297)	\$ 93,505	\$ 141,187	\$ 2,460	\$ (53,888)	\$ 346,962

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

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 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

Investments

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

(continues)

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

(continues)

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Financial Statements
Year Ended December 31, 2023

2. CASH AND TEMPORARY INVESTMENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ 725,146	\$ 656,753
Cash on hand	500	500
	<u>\$ 725,646</u>	<u>\$ 657,253</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.

Included in cash and temporary investments is a restricted amount of \$183,026 (2022 - \$272,349) received from various grant programs which are held exclusively for approved projects (Note 4).

3. RECEIVABLES

	<u>2023</u>	<u>2022</u>
Property taxes		
Current taxes and grants in place of taxes	\$ 19,314	\$ 33,003
Arrears taxes	13,005	10,402
	<u>32,319</u>	<u>43,405</u>
Trade and other receivables		
Goods and Services Tax (GST)	35,981	7,570
Grants	28,092	78,167
Utilities	22,459	20,570
Miscellaneous	2,148	13,497
	<u>88,680</u>	<u>119,804</u>

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

4. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Canada Community Building Fund	\$ 122,550	\$ -
Alberta Community Partnership	41,997	50,000
Prepaid property taxes	25,934	20,502
EMPP Grant	14,214	15,176
Municipal Sustainability Initiative - Capital Grant	4,265	206,170
Fortis Grant	-	1,003
	<u>\$ 208,960</u>	<u>\$ 292,851</u>

Municipal Sustainability Initiative

Funding in the amount of \$294,287 was received in the current year from the Municipal Sustainability Initiative. Of the \$294,287, \$232,161 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 2023. The remaining \$62,126 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 2023.

5. CONTAMINATED SITES LIABILITY

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities (2022 - 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 as a result of this standard.

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

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>2023</u>	<u>2022</u>
Total debt limit	\$ 814,377	\$ 735,770
Total debt	-	-
Amount of debt limit unused	<u>814,377</u>	<u>735,770</u>
Debt servicing limit	135,730	122,628
Debt servicing	-	-
Amount of debt servicing limit unused	<u>135,730</u>	<u>122,628</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 financial statements must be interpreted as a whole.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible capital assets (Schedule 2)	\$ 8,990,406	\$ 8,538,156
Accumulated amortization (Schedule 2)	<u>(5,585,655)</u>	<u>(5,346,494)</u>
	<u>\$ 3,404,751</u>	<u>\$ 3,191,662</u>

9. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	\$ 255,313	\$ 231,165
Restricted surplus	356,725	247,000
Equity in tangible capital assets	<u>3,404,751</u>	<u>3,191,662</u>
	<u>\$ 4,016,789</u>	<u>\$ 3,669,827</u>

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

10. BUDGET AMOUNTS

The 2023 budget for the Village was approved by Council on May 11, 2023 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 financial statements.

	<u>2023</u>	<u>2022</u>
Surplus per financial statements	\$ 298,900	\$ (40,046)
Less: Capital expenses, net	(481,500)	(226,892)
Transfer to reserves	(12,300)	(12,362)
Add: Amortization	188,600	188,600
Transfers from reserves	6,300	90,700
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 financial statements as disclosed in Note 1.

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

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)	<u>2023</u>	<u>2022</u>
ATCO	\$ 8,300	\$ 11,380	\$ 5,607
Fortis	8,500	9,850	2,442
Utilnet	-	423	11
Xplornet	-	278	270
	<u>\$ 16,800</u>	<u>\$ 21,931</u>	<u>\$ 8,330</u>

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

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)	2023	2022
Mayor Allred	\$ 1,250	\$ 33	\$ 1,283	\$ 2,650
Councillor Holthe	-	-	-	1,720
Councillor Law	-	-	-	650
Councillor Lybbert, D.	550	-	550	-
Councillor Lybbert, S.	1,600	43	1,643	2,529
Councillor Peterson	1,050	4	1,054	1,300
Councillor Wickhorst	1,350	22	1,372	450
Chief Administrative Officer	79,217	5,003	84,220	101,700
Designated Officer - 1 position	8,625	-	8,625	9,871

- (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.

Employees of the Village are allowed to accrue sick leave up to a maximum of 30 days. As at December 31, 2023 the amount of accumulated sick leave was \$6,010 (2022 - \$10,808). 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.

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.

(continues)

VILLAGE OF GLENWOOD
Notes to Financial Statements
Year Ended December 31, 2023

15. FINANCIAL INSTRUMENTS *(continued)*

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 FINANCIAL STATEMENTS

Council and Management have approved these financial statements.