

**VILLAGE OF MANNVILLE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Mannville is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this financial report. Management believes that the financial statements present fairly the Village's financial position as at December 31, 2025 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

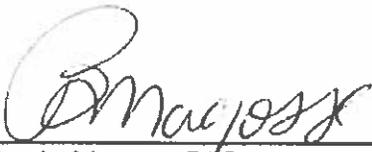
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

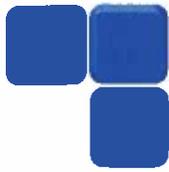
The village council carries out its responsibilities for review of the financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Audit Committee with and without the presence of management. The village council has approved the financial statements.

The financial statements have been audited by JMD Group LLP, Chartered Professional Accountants, the independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.



Brooke Magosse, CAO
Mannville, Alberta
February 17, 2026



INDEPENDENT AUDITOR'S REPORT

To the Members of Council of The Village of Mannville

Opinion

We have audited the financial statements of Village of Mannville (the municipality), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net financial assets, cash flows, and schedules 1 to 7 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 municipality as at December 31, 2025, and the results of its operations, changes in net financial assets and 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 municipality 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 PSAS, 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 municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

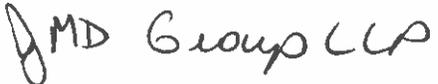
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

- 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 municipality'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 municipality'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 municipality 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.

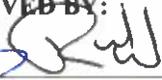
St Paul, Alberta
February 17, 2026


Chartered Professional Accountants

VILLAGE OF MANNVILLE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
Assets		
Cash (Note 2)	\$ 3,369,452	\$ 2,789,994
Taxes receivable (Note 3)	132,995	119,694
Receivables from other governments	406,338	473,146
Trade and other receivables	70,102	78,798
Inventory held for resale	20,020	10,520
Land held for resale	75,158	78,627
Credit Union shares	335	304
	<u>4,074,400</u>	<u>3,551,083</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	275,256	280,146
Tax sale surplus	9,231	15,560
Landfill closure and post-closure liability (Note 5)	10,111	139,474
Deferred revenue (Note 6)	727,566	529,863
Long term debt (Note 7)	418,885	504,338
	<u>1,441,049</u>	<u>1,469,381</u>
Net financial assets	<u>2,633,351</u>	<u>2,081,702</u>
Non-financial assets		
Tangible capital assets (Schedule 2)	9,628,904	9,728,482
Inventory	30,000	30,000
Prepaid expenses	312	-
	<u>9,659,216</u>	<u>9,758,482</u>
Accumulated surplus (Schedule 1, Note 9)	\$ 12,292,567	\$ 11,840,184

APPROVED BY:


 _____ Mayor


 _____ CAO

VILLAGE OF MANNVILLE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
Revenues			
Net municipal taxes <i>(Schedule 3)</i>	\$ 882,389	\$ 881,964	\$ 866,440
Sales and user fees	1,478,065	1,512,559	1,416,674
Government transfers for operating <i>(Schedule 4)</i>	247,727	240,937	301,331
Investment income	62,735	55,693	62,859
Penalties and costs of taxes	27,000	21,168	27,013
Rentals and leases	23,537	26,956	23,535
Franchise and concession contracts	174,268	167,493	168,124
Licenses and permits	1,850	4,145	6,197
Other	17,900	39,364	21,968
	<u>2,915,471</u>	<u>2,950,279</u>	<u>2,894,141</u>
Expenses			
Administration and legislative	466,549	426,946	458,179
Protective services	78,563	75,059	54,559
By-law enforcement	9,500	5,420	12,263
Roads, streets, walks, lighting	533,494	521,316	515,908
Water supply and distribution	465,289	367,271	465,425
Wastewater treatment and disposal	178,614	192,514	247,405
Waste management	249,414	86,171	96,709
Family and community support services	42,973	42,963	42,911
Cemetery	16,894	18,719	17,575
Planning and development	111,979	30,835	8,237
Recreation and culture	367,111	267,364	254,446
Golf course <i>(Schedule 6)</i>	818,419	764,189	776,816
	<u>3,338,799</u>	<u>2,798,767</u>	<u>2,950,433</u>
Excess (deficiency) of revenue over expenses before other	(423,328)	151,512	(56,292)
Other			
Government transfers for capital <i>(Schedule 4)</i>	705,500	300,871	349,557
Excess of revenue over expenses	282,172	452,383	293,265
Accumulated surplus - beginning of year	11,840,184	11,840,184	11,546,919
Accumulated surplus - end of year	<u>\$ 12,122,356</u>	<u>\$ 12,292,567</u>	<u>\$ 11,840,184</u>

VILLAGE OF MANNVILLE
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
ANNUAL SURPLUS	\$ 282,172	\$ 452,383	\$ 293,265
Purchase of tangible capital assets	(705,500)	(390,171)	(398,714)
Amortization of tangible capital assets	479,421	489,749	475,903
Decrease (increase) in prepaid expenses	-	(312)	-
	<u>(226,079)</u>	<u>99,266</u>	<u>77,189</u>
INCREASE IN NET FINANCIAL ASSETS	56,093	551,649	370,454
NET FINANCIAL ASSETS - BEGINNING OF YEAR	<u>2,081,702</u>	<u>2,081,702</u>	<u>1,711,248</u>
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ 2,137,795</u>	<u>\$ 2,633,351</u>	<u>\$ 2,081,702</u>

VILLAGE OF MANNVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating		
Excess of revenue over expenses	\$ 452,383	\$ 293,265
Item not affecting cash:		
Amortization of tangible capital assets	489,749	475,903
	<u>942,132</u>	<u>769,168</u>
Changes in non-cash working capital:		
Taxes receivable	(13,301)	75,719
Receivables from other governments	66,808	(276,196)
Trade and other receivables	8,697	10,210
Inventory held for resale	(9,500)	(5,264)
Prepaid expenses	(312)	-
Accounts payable and accrued liabilities	(4,890)	(48,631)
Landfill closure and post-closure liability	(129,363)	-
Deferred revenue	197,703	92,962
Land held for resale	3,469	-
Tax sale surplus	(6,329)	-
	<u>112,982</u>	<u>(151,200)</u>
Cash flow from operations	<u>1,055,114</u>	<u>617,968</u>
Capital		
Acquisition of tangible capital assets	<u>(390,171)</u>	<u>(398,714)</u>
Financing		
Repayment of long term debt	<u>(85,453)</u>	<u>(82,450)</u>
Investing		
Decrease (increase) in restricted cash	(248,644)	192,926
Decrease (increase) in investments	(31)	-
	<u>(248,675)</u>	<u>192,926</u>
Increase in cash flow	330,815	329,730
Cash - beginning of year	<u>2,726,166</u>	<u>2,396,436</u>
Cash - end of year	\$ 3,056,981	\$ 2,726,166
Cash consists of:		
Cash (Note 2)	\$ 3,369,452	\$ 2,789,994
Less: restricted cash	<u>(312,471)</u>	<u>(63,828)</u>
	<u>\$ 3,056,981</u>	<u>\$ 2,726,166</u>

VILLAGE OF MANNVILLE
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2025	2024
Balance, beginning of year	\$ 797,776	\$ 1,818,264	\$ 9,224,144	\$ 11,840,184	\$ 11,546,919
Excess of revenue over expenses	452,383	-	-	452,383	293,265
Funds designated for future use	(92,540)	92,540	-	-	-
Funds used for tangible capital assets	(315,171)	(75,000)	390,171	-	-
Annual amortization expense	489,749	-	(489,749)	-	-
Long-term debt repaid	(85,453)	-	85,453	-	-
Change in accumulated surplus	448,968	17,540	(14,125)	452,383	293,265
Balance, end of year	\$ 1,246,744	\$ 1,835,804	\$ 9,210,019	\$ 12,292,567	\$ 11,840,184

VILLAGE OF MANNVILLE
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2025	2024
Cost								
Balance, beginning of year	\$ 420,063	\$ 1,574,319	\$ 6,371,576	\$ 11,584,458	\$ 1,603,951	\$ 190,984	\$ 21,745,351	\$ 21,379,573
Acquisition of tangible capital assets	-	-	15,000	362,671	12,500	-	390,171	398,714
Disposal of tangible capital assets	-	-	-	-	(600)	-	(600)	(32,936)
Balance, end of year	420,063	1,574,319	6,386,576	11,947,129	1,615,851	190,984	22,134,922	21,745,351
Accumulated amortization								
Balance, beginning of year	-	400,305	4,196,374	6,234,121	1,072,359	113,710	12,016,869	11,573,901
Annual amortization	-	35,740	125,208	236,678	82,841	9,282	489,749	475,904
Accumulated amortization on disposals	-	-	-	-	(600)	-	(600)	(32,936)
Balance, end of year	-	436,045	4,321,582	6,470,799	1,154,600	122,992	12,506,018	12,016,869
Net book value of tangible capital assets	\$ 420,063	\$ 1,138,274	\$ 2,064,994	\$ 5,476,330	\$ 461,251	\$ 67,992	\$ 9,628,904	\$ 9,728,482
2024 Net book value of tangible capital assets	\$ 420,063	\$ 1,174,014	\$ 2,175,202	\$ 5,350,337	\$ 531,592	\$ 77,274	\$ 9,728,482	

**VILLAGE OF MANNVILLE
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget (Unaudited)	2025	2024
Taxation			
Residential	\$ 793,968	\$ 793,586	\$ 749,303
Commercial	200,207	200,201	218,772
Linear property	56,348	56,310	55,359
	<u>1,050,523</u>	<u>1,050,097</u>	<u>1,023,434</u>
Requisitions			
Alberta School Foundation Fund	152,881	152,880	140,579
MD of Minburn Foundation	15,253	15,253	16,415
	<u>168,134</u>	<u>168,133</u>	<u>156,994</u>
Net taxes for general municipal operations	<u>\$ 882,389</u>	<u>\$ 881,964</u>	<u>\$ 866,440</u>

**SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget (Unaudited)	2025	2024
Transfers for operations			
Federal	\$ 12,960	\$ 6,170	\$ 5,759
Provincial	230,767	230,767	291,572
Local governments	4,000	4,000	4,000
	<u>247,727</u>	<u>240,937</u>	<u>301,331</u>
Transfers for capital			
Provincial	705,500	300,871	349,557
Total government transfers	<u>\$ 953,227</u>	<u>\$ 541,808</u>	<u>\$ 650,888</u>

VILLAGE OF MANNVILLE
SCHEDULE 5 - EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
Expenses			
Salaries, wages and benefits	\$ 889,249	\$ 798,040	\$ 914,696
Contracted and general services	702,868	543,605	524,282
Purchased from other governments	429,443	314,454	347,829
Materials, goods, supplies and utilities	516,385	467,724	475,660
Provision for allowance	-	-	(6,000)
Transfers to other governments	163,430	34,117	51,843
Transfer to local boards and organizations	110,063	109,553	111,453
Bank charges and short term interest	20,940	21,500	20,862
Interest on long-term debt	19,000	18,812	21,819
Other expenses	8,000	1,213	12,085
Amortization	479,421	489,749	475,904
Total expenses	\$ 3,338,799	\$ 2,798,767	\$ 2,950,433

VILLAGE OF MANNVILLE
SCHEDULE 6 - GOLF COURSE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
Revenue			
Fees and rentals	\$ 350,825	\$ 348,764	\$ 350,823
Sale of confections	210,000	190,524	223,520
Camping	161,680	197,616	162,479
Sale of merchandise	47,915	25,909	47,912
Government transfers for operations	38,200	36,100	34,000
Sponsorships/donations	12,675	20,041	11,231
	<u>821,295</u>	<u>818,954</u>	<u>829,965</u>
Expenses			
Wages and benefits	317,260	304,811	310,765
Confections	126,500	106,540	115,665
Utilities	69,000	71,136	66,162
Amortization	84,522	102,596	98,932
Supplies	51,465	37,054	49,314
Merchandise	32,350	30,786	32,360
Repairs and maintenance	62,520	39,114	57,222
Equipment rentals	29,530	30,722	-
Bank charges	12,225	11,020	12,222
Advertising	9,110	4,324	9,104
Insurance	5,177	5,177	4,948
Telephone	4,770	5,902	4,848
Interest on long-term debt	12,700	12,639	13,986
Property taxes	1,290	2,368	713
	<u>818,419</u>	<u>764,189</u>	<u>776,241</u>
Excess of revenue over expenses before capital	2,876	54,765	53,724
Capital			
Government transfers for capital	-	-	112,800
Excess of revenue over expenses	\$ 2,876	\$ 54,765	\$ 166,524
Supplementary Information			
Acquisition of tangible capital assets	\$ -	\$ 15,000	\$ 114,192
Principal repayment on debenture	31,087	31,087	29,743
	<u>\$ 31,087</u>	<u>\$ 46,087</u>	<u>\$ 143,935</u>

VILLAGE OF MANNVILLE
SCHEDULE 7 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health	Planning and Development	Recreation and Culture	Total
Revenue								
Net municipal taxes	\$ 881,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881,964
Sales and user fees	1,159	-	-	712,295	12,287	36,000	750,817	1,512,558
Government transfers for operating	59,524	-	2,100	-	33,243	50,000	96,070	240,937
Investment income	55,693	-	-	-	-	-	-	55,693
Other operating revenues	213,071	3,275	2,400	428	1,230	5,812	32,911	259,127
	1,211,411	3,275	4,500	712,723	46,760	91,812	879,798	2,950,279
Expenses								
Salaries, wages and benefits	245,254	-	126,286	121,688	-	-	304,812	798,040
Contracted and general services	133,815	76,894	71,888	148,936	21,234	27,366	170,190	650,323
Materials, goods, supplies and utilities	28,756	-	139,832	249,272	-	3,469	254,131	675,460
Transfers to others	-	-	-	34,117	39,632	-	69,920	143,669
Interest on long-term debt	-	-	-	6,173	-	-	12,639	18,812
Other expenses	11,694	-	-	-	-	-	11,020	22,714
	419,519	76,894	338,006	560,186	60,866	30,835	822,712	2,309,018
Net revenue before amortization and other	791,892	(73,619)	(333,506)	152,537	(14,106)	60,977	57,086	641,261
Other								
Capital government transfers	-	-	300,871	-	-	-	-	300,871
Amortization	(7,428)	(3,585)	(183,311)	(85,769)	(815)	-	(208,841)	(489,749)
	(7,428)	(3,585)	117,560	(85,769)	(815)	-	(208,841)	(188,878)
Net revenue	\$ 784,464	\$ (77,204)	\$ (215,946)	\$ 66,768	\$ (14,921)	\$ 60,977	\$ (151,755)	\$ 452,383

VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Significant Accounting Policies

The financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the village are as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and change in financial position of the reporting entity. This entity is only comprised of the municipal operations as there are no other organizations that are owned or controlled by the village and are, therefore, accountable to the village council for the administration of their financial affairs and resources.

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

The statements exclude trust assets that are administered for the benefit of external parties.

Interdepartmental and organizational transactions and balances are eliminated.

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.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Such estimates include allowance for uncollectable receivables and providing for amortization of tangible capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued and subsequently measured at amortized cost. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

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VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Significant Accounting Policies *(continued)*

Cash

Cash is defined as petty cash, cash in chequing accounts adjusted for outstanding cheques and deposits, and savings accounts.

Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Inventories

Inventories of supplies for resale are valued at the lower of cost or net realizable value with cost determined by the average cost method.

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

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.

Government Transfers

Government transfers are the transfer of assets from other governments 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.

Deferred Revenue

Deferred revenues represent government transfers (collected or allocated), donations, and other amounts that have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met.

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VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Significant Accounting Policies *(continued)*

Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance.

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 change in net financial assets for the year.

(a) 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. No amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Years</u>
Buildings	25-50
Engineered structures	
Roadway system	20-60
Water system	35-75
Wastewater system	35-75
Machinery and equipment	5-40
Vehicles	10-20
Land improvements	10-25

(b) 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.

(c) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks of ownership 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.

(d) Inventories

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

(continues)

VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Significant Accounting Policies (continued)

Landfill Closure and Post-closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the municipality is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping as well as surface and ground water monitoring, leachate control and visual inspection.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Asset Retirement Obligations

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.

2. Cash

	2025	2024
Petty cash	\$ 250	\$ 250
Current account	1,452,613	1,033,018
Savings accounts	1,905,488	1,739,426
Trust account	11,101	17,300
	\$ 3,369,452	\$ 2,789,994

Council has designated \$1,835,804 (2024- \$1,818,264) to fund reserves.

Included in cash is a restricted amount of \$312,471 (2024 - \$63,827) comprised of deferred grant revenue received and not expended (see Note 6).

**VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

3. Taxes Receivable

	2025	2024
Current	\$ 107,477	\$ 83,221
Arrears	53,430	64,385
Less: allowance	(27,912)	(27,912)
	\$ 132,995	\$ 119,694

4. Accounts Payable

	2025	2024
Trade accounts payable	\$ 257,074	\$ 256,801
Staff fund	540	540
Accrued vacation pay	16,933	21,968
Accrued debenture interest	709	837
	\$ 275,256	\$ 280,146

5. Landfill Closure and Post-Closure Liability

The landfill was reclaimed by the County of Minburn in 2023. The county billed the village \$139,473 for their portion of the reclamation costs. The balance owing was paid in February 2026.

6. Deferred Revenue

	2024	Received	Recognized	2025
MSI capital	\$ 209,940	\$ -	\$ 60,035	\$ 149,905
Canada Community Building Fund	44,567	96,464	119,194	21,837
ACP - Intermunicipal Collaboration - Regional Infrastructure Master Plan	5,388	-	-	5,388
LGFF capital	256,984	393,297	121,643	528,638
Communities in bloom	12,984	-	-	12,984
Golf course revenue	-	8,814	-	8,814
	\$ 529,863	\$ 498,575	\$ 300,872	\$ 727,566

Unexpended funding in the amount of \$705,768 (2024 - \$516,879) was allocated to the village in the current year from various federal and provincial government programs. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements. Of these allocations, funds received and unexpended are supported by funds in savings accounts of \$312,471 (2024 - \$63,827).

VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

7. Long-Term Debt

	2025	2024
Utility supported debentures	\$ 158,170	\$ 212,536
Tax supported debentures	260,715	291,802
	\$ 418,885	\$ 504,338

Principal and interest repayments for each of the next five years and to maturity are as follows:

	Principal	Interest	Total
2026	\$ 88,568	\$ 15,825	\$ 104,393
2027	91,801	12,592	104,393
2028	79,749	9,236	88,985
2029	37,100	6,686	43,786
2030	38,777	5,009	43,786
Thereafter	82,890	4,684	87,574
	\$ 418,885	\$ 54,032	\$ 472,917

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.95% to 4.47% per annum and matures in periods 2027 through 2032. The average annual interest rate is 4.075% for 2025 (3.999% for 2024).

Debenture debt is issued on the credit and security of the village at large.

Interest on long-term debt amounted to \$18,812 (2024 - \$21,819).

The village's total cash payments for interest in 2025 were \$18,940 (2024 - \$21,943).

8. 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 municipality be disclosed as follows:

	2025	2024
Total debt limit	\$ 4,425,416	\$ 4,341,212
Total debt	(418,885)	(504,338)
Debt limit remaining	\$ 4,006,531	\$ 3,836,874
Debt servicing limit	\$ 737,569	\$ 723,535
Debt servicing	(104,393)	(104,393)
Debt service limit remaining	\$ 633,176	\$ 619,142

The debt limit is calculated at 1.5 times revenue of the municipality (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 municipality. Rather, the financial statements must be interpreted as a whole.

**VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

9. Accumulated Surplus

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

	2025	2024
Unrestricted surplus	<u>\$ 1,246,744</u>	<u>\$ 797,776</u>
Restricted surplus		
Equipment replacement	531,697	521,697
Cemetery contributions	9,000	9,000
Internet reserve	7,324	7,324
Water capital reserve	755,755	702,542
Sewer capital reserve	518,142	494,594
Solid waste capital reserve	13,886	83,107
	<u>1,835,804</u>	<u>1,818,264</u>
Equity in tangible capital assets <i>(Note 10)</i>	<u>9,210,019</u>	<u>9,224,144</u>
	<u>\$ 12,292,567</u>	<u>\$ 11,840,184</u>

10. Equity in Tangible Capital Assets

	2025	2024
Tangible capital assets <i>(Schedule 2)</i>	<u>\$ 22,134,922</u>	<u>\$ 21,745,351</u>
Accumulated amortization <i>(Schedule 2)</i>	<u>(12,506,018)</u>	<u>(12,016,869)</u>
Long-term debt <i>(Note 7)</i>	<u>(418,885)</u>	<u>(504,338)</u>
	<u>\$ 9,210,019</u>	<u>\$ 9,224,144</u>

11. Segmented Disclosure

The municipality 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 Schedule 7– Segmented Disclosure.

General government includes council and other legislative, and general administration. Protective services include bylaw enforcement, police and fire. Transportation includes roads, streets, walks and lighting. Environmental includes water supply and distribution, wastewater treatment and disposal, and waste management. Public health includes family and community support. Planning and development includes land use planning, zoning and subdivision land and development. Recreation and culture includes parks and recreation, golf course, libraries and halls.

VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

12. Local Authorities Pension Plan

Employees of the village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

	2025	2024
Current service contributions by employer	\$ 5,588	\$ 7,128
Current service contributions by employees	4,951	6,328
	\$ 10,539	\$ 13,456

The village is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount. Employees of the village are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.6 billion.

For further information of the amount of LAPP deficiency/surplus see: www.lapp.ca/page/annual-reports

13. Salary and Benefits Disclosure

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

	Salary (1)	Benefits & Allow (2)	2025	2024
<u>Council</u>				
Smith	\$ 10,225	\$ 435	\$ 10,660	\$ 13,274
Bielesch	6,975	241	7,216	10,334
Lanovaz	14,000	625	14,625	12,824
Jackson	7,050	247	7,297	9,539
Lyster	6,725	241	6,966	8,480
Roland	4,125	154	4,279	-
Bauer	3,325	164	3,489	-
Gilbert	1,975	66	2,041	-
Myhovich	2,350	106	2,456	-
	56,750	2,279	59,029	54,451
<u>Others</u>				
CAO - Magosse	78,770	18,183	96,953	-
CAO - Hodel	17,704	1,983	19,687	95,691
Designated officer (contract)	14,643	-	14,643	14,851
	111,117	20,166	131,283	110,542
	\$ 167,867	\$ 22,445	\$ 190,312	\$ 164,993

(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 cell phone reimbursement, pension and health plans.

VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

14. Other Credit Facility

The village has a Vermillion Credit Union MasterCard with a limit of \$20,000. Interest is calculated on principal owing beyond one month at the rate of 19.99%. This credit facility is issued on the credit and security of the village at large.

15. Commitments

The village has entered into three-year contracts with Wainwright Assessment Group and JMD Group LLP. These contracts expire in 2026.

The village has agreed to provide funding of \$88,742 to the MD of Minburn Foundation for the Homestead Lodge Expansion Project. These funds will come from the capital reserve when requested..

16. Lease Commitments

The municipality is committed to making the following lease payments for equipment:

2026		\$	27,495
2027			27,495
2028			25,862
			80,852
		\$	<u>80,852</u>

17. Contaminated Sites Liability

The village did not identify any financial liabilities in 2025 or prior years as a result of contaminated sites.

18. Asset Retirement Obligation

The village has adopted PS3280 - Asset Retirement Obligations. The village did not identify any financial obligations in 2025 or prior years as a result of this standard.

19. Contingency

The Village of Mannville 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.

20. Financial Instruments

The village's financial instruments consist of cash, receivables, long-term investments and accounts payable and accrued liabilities, and deferred revenue. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes receivable 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. The village has recorded an allowance of \$27,912 (2024 - \$27,912) against taxes and other receivables.

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

VILLAGE OF MANNVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

21. Approval of Financial Statements

Council has approved these financial statements.

22. Budget Amounts

Budget amounts are included for information purposes only and are not audited.

23. Recent Accounting Pronouncements Published But Not Yet Adopted

Conceptual Framework for Financial Reporting in the Public Sector

This standard describes the concepts underlying the development and use of accounting principles in government financial statements. It also identifies the objectives of government financial statements that are generally acceptable to the users and preparers of the statements. It applies to years beginning on or after April 1, 2026.

PSAS Section 1202, Financial Statement Presentation

This standard responds to the need for understandable financial statements. The new reporting model will consist of:

- a statement of financial position;
- a statement of net financial assets (net financial liabilities);
- a statement of operations;
- a statement of changes in net assets (net liabilities);
- a statement of cash flows; and
- accompanying notes and schedules.