

**VILLAGE OF HOLDEN**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Holden 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 judgments. 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 Brian King Professional Corporation, Chartered Professional Accountant, 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.

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Chief Administrative Officer

April 22, 2026  
Village of Holden

## **INDEPENDENT AUDITOR'S REPORT**

**To the Mayor and Council of the Village of Holden:**

*Report on the Financial Statements*

*Opinion*

I have audited the financial statements of the Village of Holden (the Entity), which comprise the statement of financial position as at December 31, 2025, and the results of its operations, changes in its net financial assets (debt) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village of Holden as at December 31, 2025, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 Entity'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 cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

*Auditor's Responsibility for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

# Brian King Professional Corporation

Box 560, Hardisty, Alberta T0B 1V0

- 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

## *Report on Other Legal and Regulatory Requirements*

- **Debt Limit Regulation:**  
In accordance with Alberta Regulation 255/2000, I confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in Note 8.
- **Supplementary Accounting Principles and Standards Regulation:**  
In accordance with Alberta Regulation 313/2000, I confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 12.

M.D. of Wainwright  
April 22, 2026

  
Brian King Professional Corporation  
Chartered Professional Accountant

# VILLAGE OF HOLDEN

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
<b>FINANCIAL ASSETS</b>		
Cash and term deposits (Note 2)	2,794,215	2,027,586
Taxes and grants in place of taxes (Note 3)	85,961	73,328
Trade and other receivables	15,767	16,933
Due from other governments	405,434	581,214
	<u>3,301,377</u>	<u>2,699,061</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	188,479	189,227
Deposits held in trust	900	1,050
Deferred revenue (Note 5)	31,112	12,293
Long term debt (Note 6)	1,331,718	93,496
	<u>1,552,209</u>	<u>296,066</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,749,168</u>	<u>2,402,995</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	6,014,841	4,934,635
Inventory held for resale	60,933	60,933
	<u>6,075,774</u>	<u>4,995,568</u>
<b>ACCUMULATED SURPLUS (NOTE 9)</b>	<u>7,824,942</u>	<u>7,398,563</u>

*Commitments and contingencies - See Note 13*

**APPROVED ON BEHALF OF VILLAGE COUNCIL**

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Mayor

# VILLAGE OF HOLDEN

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (unaudited)	2025	2024
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	498,174	<b>505,056</b>	484,507
User fees and sales of goods	133,228	<b>136,334</b>	114,888
Penalties and costs on taxes	10,000	<b>15,270</b>	15,206
Licenses and permits	1,975	<b>4,054</b>	2,651
Fines	-	<b>850</b>	-
Franchise and concession contracts	21,000	<b>19,559</b>	19,737
Investment income	406,540	<b>380,797</b>	429,692
Rentals	10,040	<b>10,039</b>	10,039
Insurance proceeds	-	<b>11,993</b>	-
Government transfers for operating	228,482	<b>136,552</b>	200,503
Other	900	<b>24,287</b>	4,551
	<u>1,310,339</u>	<u><b>1,244,791</b></u>	<u>1,281,774</u>
<b>EXPENSES</b>			
Legislative	16,225	<b>18,265</b>	9,981
Administration	439,180	<b>400,581</b>	401,417
Protective services	87,921	<b>87,131</b>	80,002
Transportation	282,986	<b>165,657</b>	148,105
Wastewater treatment and disposal	77,330	<b>91,277</b>	55,156
Waste management	20,622	<b>20,622</b>	20,572
Public health and welfare	4,725	<b>4,375</b>	4,846
Recreation	42,304	<b>60,632</b>	53,994
Culture	58,788	<b>66,339</b>	55,725
Amortization	-	<b>178,476</b>	150,843
	<u>1,065,868</u>	<u><b>1,093,355</b></u>	<u>980,641</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER</b>	<b>244,471</b>	<b>151,436</b>	301,133
<b>OTHER</b>			
Government transfers for capital (Schedule 4)	277,616	<b>274,943</b>	1,147,196
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>522,087</b>	<b>426,379</b>	1,448,329
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>7,398,563</u>	<u><b>7,398,563</b></u>	<u>5,950,234</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u>7,920,650</u></u>	<u><u><b>7,824,942</b></u></u>	<u><u>7,398,563</u></u>

# VILLAGE OF HOLDEN

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

	Budget (unaudited)	2025	2024
<b>EXCESS OF REVENUE OVER EXPENSES</b>	522,087	<b>426,379</b>	1,448,329
Acquisition of tangible capital assets	(1,711,804)	<b>(1,258,682)</b>	(1,178,554)
Amortization of tangible capital assets	-	<b>178,476</b>	150,843
<b>INCREASE IN NET FINANCIAL ASSETS</b>	(1,189,717)	<b>(653,827)</b>	420,618
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>2,402,995</u>	<u><b>2,402,995</b></u>	<u>1,982,377</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u>1,213,278</u></u>	<u><u><b>1,749,168</b></u></u>	<u><u>2,402,995</u></u>

# VILLAGE OF HOLDEN

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

	2025	2024
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	426,379	1,448,329
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	178,476	150,843
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(12,633)	27,446
Decrease (increase) in trade and other receivables	1,166	1,232
Decrease (increase) in due from other governments	175,780	(372,830)
Increase (decrease) in accounts payable and accrued liabilities	(748)	115,993
Increase (decrease) in deposits held in trust	(150)	300
Increase (decrease) in deferred revenue	18,819	(837,119)
	<b>787,089</b>	<b>534,194</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<b>(1,258,682)</b>	<b>(1,178,554)</b>
<b>INVESTING</b>		
Decrease (increase) in restricted cash or cash equivalents	<b>(9,653)</b>	<b>662,129</b>
<b>FINANCING</b>		
Long-term debt issued	1,300,000	-
Long-term debt repaid	(61,778)	(59,631)
	<b>1,238,222</b>	<b>(59,631)</b>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>756,976</b>	<b>(41,862)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,026,536</b>	<b>2,068,398</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>2,783,512</b>	<b>2,026,536</b>
<b>CASH AND CASH EQUIVALENTS IS MADE UP OF:</b>		
Cash on hand	150	150
Cash in bank	1,725,959	415,652
Notice on demand	1,068,106	1,611,784
Less: Restricted cash (Note2)	(10,703)	(1,050)
	<b>2,783,512</b>	<b>2,026,536</b>

## VILLAGE OF HOLDEN

### SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2025 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2025	2024
<b>BALANCE, BEGINNING OF YEAR</b>	929,187	1,628,237	4,841,139	7,398,563	5,950,234
Excess of revenues over expenses	426,379	-	-	426,379	1,448,329
Unrestricted funds designated for future use	(100,000)	100,000	-	-	-
Restricted funds used for operations	62,811	(62,811)	-	-	-
Current year funds used for tangible capital assets	(1,258,682)	-	1,258,682	-	-
Annual amortization expense	178,476	-	(178,476)	-	-
Long term debt issued	752,379	547,621	(1,300,000)	-	-
Net change in long term debt	(61,778)	-	61,778	-	-
Change in accumulated surplus	(415)	584,810	(158,016)	426,379	1,448,329
<b>BALANCE, END OF YEAR</b>	<u>928,772</u>	<u>2,213,047</u>	<u>4,683,123</u>	<u>7,824,942</u>	<u>7,398,563</u>

**VILLAGE OF HOLDEN**

**SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Schedule 2)**

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2025	2024
<b>COST:</b>								
Balance - beginning of year	412,464	221,968	898,295	8,685,657	518,337	51,502	10,788,223	9,609,669
Acquisition of tangible capital assets	-	28,766	-	1,178,088	51,828	-	1,258,682	1,178,554
Disposal of tangible capital assets	-	-	-	-	(6,763)	-	(6,763)	-
Balance - end of year	412,464	250,734	898,295	9,863,745	563,402	51,502	12,040,142	10,788,223
<b>ACCUMULATED AMORTIZATION</b>								
Balance - beginning of year	-	141,526	379,305	5,010,082	293,612	29,063	5,853,588	5,702,745
Annual amortization	-	10,770	18,113	122,924	22,595	4,074	178,476	150,843
Accumulated amortization on disposals	-	-	-	-	(6,763)	-	(6,763)	-
Balance - end of year	-	152,296	397,418	5,133,006	309,444	33,137	6,025,301	5,853,588
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>412,464</b>	<b>98,438</b>	<b>500,877</b>	<b>4,730,739</b>	<b>253,958</b>	<b>18,365</b>	<b>6,014,841</b>	<b>4,934,635</b>
<b>OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>412,464</b>	<b>80,442</b>	<b>518,990</b>	<b>3,675,575</b>	<b>224,725</b>	<b>22,439</b>	<b>4,934,635</b>	

# VILLAGE OF HOLDEN

## SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2025 (Schedule 3)

	Budget (Unaudited)	2025	2024
<b>TAXATION</b>			
Real property taxes	542,801	<b>549,683</b>	522,842
Linear property taxes	60,759	<b>60,759</b>	58,495
Government grants in place of property taxes	2,247	<b>2,247</b>	2,281
	<u>605,807</u>	<u><b>612,689</b></u>	<u>583,618</u>
<b>REQUISITIONS</b>			
Alberta School Foundation	85,313	<b>85,313</b>	76,791
Beaver Foundation	22,320	<b>22,320</b>	22,320
	<u>107,633</u>	<u><b>107,633</b></u>	<u>99,111</u>
<b>NET MUNICIPAL TAXES</b>	<u>498,174</u>	<u><b>505,056</b></u>	<u>484,507</u>

# VILLAGE OF HOLDEN

## SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2025 (Schedule 4)

	Budget (Unaudited)	2025	2024
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	198,010	<b>111,410</b>	175,363
Local Governments	30,472	<b>25,142</b>	25,140
	<u>228,482</u>	<u><b>136,552</b></u>	<u>200,503</u>
<b>TRANSFERS FOR CAPITAL</b>			
Federal Government	-	<b>34,076</b>	221,509
Provincial Government	277,616	<b>240,867</b>	925,687
	<u>277,616</u>	<u><b>274,943</b></u>	<u>1,147,196</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>506,098</u>	<u><b>411,495</b></u>	<u>1,347,699</u>

# VILLAGE OF HOLDEN

## SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2025 (Schedule 5)

	Budget (Unaudited)	2025	2024
<b>Expenditures</b>			
Salaries, wages and benefits	318,394	<b>326,361</b>	329,775
Contracted and general services	472,615	<b>319,616</b>	271,273
Materials, goods and utilities	157,619	<b>129,015</b>	117,230
Transfers to other governments	16,123	<b>16,123</b>	18,315
Transfers to local boards and agencies	94,476	<b>95,937</b>	84,313
Bank charges and short term interest	1,850	<b>1,765</b>	1,748
Interest on capital long term debt	2,791	<b>23,592</b>	4,844
Other expenditures	2,000	<b>2,470</b>	2,300
Amortization of tangible capital assets	-	<b>178,476</b>	150,843
	<u>1,065,868</u>	<u><b>1,093,355</b></u>	<u>980,641</u>

VILLAGE OF HOLDEN

SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
<b>REVENUE</b>								
Net municipal property taxes (Schedule 2)	505,056	-	-	-	-	-	-	505,056
User fees and sales of goods	1,526	-	1,130	103,408	-	18,765	11,505	136,334
Penalties and costs on taxes	15,270	-	-	-	-	-	-	15,270
Licenses and permits	2,054	2,000	-	-	-	-	-	4,054
Fines	-	850	-	-	-	-	-	850
Franchise and concession contracts	19,559	-	-	-	-	-	-	19,559
Investment income	380,797	-	-	-	-	-	-	380,797
Rentals	10,039	-	-	-	-	-	-	10,039
Insurance proceeds	-	-	11,993	-	-	-	-	11,993
Government transfers	111,410	-	-	-	-	-	25,142	136,552
Other	21,777	-	-	-	-	-	2,510	24,287
	<u>1,067,488</u>	<u>2,850</u>	<u>13,123</u>	<u>103,408</u>	<u>-</u>	<u>18,765</u>	<u>39,157</u>	<u>1,244,791</u>
<b>EXPENSES</b>								
Salaries, wages and benefits	206,864	-	43,989	19,987	-	-	55,521	326,361
Contracted and general services	176,926	6,960	60,868	56,510	-	-	18,352	319,616
Materials, goods and utilities	33,291	-	58,106	14,504	-	-	23,114	129,015
Transfers to other governments	-	16,123	-	-	-	-	-	16,123
Transfers to local boards and agencies	-	64,048	-	-	4,375	-	27,514	95,937
Bank charges and short term interest	1,765	-	-	-	-	-	-	1,765
Interest on capital long term debt	-	-	2,694	20,898	-	-	-	23,592
Other expenditures	-	-	-	-	-	-	2,470	2,470
	<u>418,846</u>	<u>87,131</u>	<u>165,657</u>	<u>111,899</u>	<u>4,375</u>	<u>-</u>	<u>126,971</u>	<u>914,879</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<u>648,642</u>	<u>(84,281)</u>	<u>(152,534)</u>	<u>(8,491)</u>	<u>(4,375)</u>	<u>18,765</u>	<u>(87,814)</u>	<u>329,912</u>
<b>AMORTIZATION AND DISPOSAL OF ASSETS</b>								
Amortization of tangible capital assets	5,820	-	82,875	68,881	-	-	20,900	178,476
<b>NET REVENUE</b>	<u>642,822</u>	<u>(84,281)</u>	<u>(235,409)</u>	<u>(77,372)</u>	<u>(4,375)</u>	<u>18,765</u>	<u>(108,714)</u>	<u>151,436</u>

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Holden 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:

#### **a) Reporting Entity**

The 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 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.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

#### **b) 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.

#### **c) 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure 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.

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) Valuation of Financial Assets and Liabilities

The village's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost or amortized cost
Short term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Loans receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long term debt	Amortized cost

#### e) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. 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.

#### f) 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.

#### g) Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling 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 the respective function.

#### h) 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.

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **i) Landfill Closure and Post-Closure Liability**

Pursuant to the Alberta Environmental Protection and Enhancement Act, the town 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. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

#### **j) 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.

#### **k) 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, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

#### **l) 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.

#### **m) 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.

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Buildings	25-50
Engineered structures - other	10-65
Engineered structures - wastewater system	45-75
Land improvements	10-45
Machinery and equipment	5-40
Vehicles	10-40

No amortization is charged in the year of acquisition and full amortization is taken 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 of 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.

#### v. Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

#### n) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. The village will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently.

#### Financial Statement Presentation

PS1202, Financial Statement Presentation, will replace PS1201 and sets out the general and specific requirements of the presentation of financial information and is based on the concepts in the conceptual framework. This standard is applicable for the fiscal years beginning on or after April 1, 2026.

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

### 2. CASH AND TERM DEPOSITS

	2025	2024
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 4)		
Alberta Community Partnership	9,803	-
	9,803	-
Included in cash and term deposits that are deposits held in trust	900	1,050
Total restricted cash and term deposits	10,703	1,050

### 3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2025	2024
Current taxes and grants in place of taxes	50,803	42,555
Arrears taxes	12,103	7,718
Property held by the village as a result of tax forfeiture	29,294	29,294
	92,200	79,567
Less: allowance for doubtful accounts	6,239	6,239
	85,961	73,328

### 4. BANK INDEBTEDNESS

Bank indebtedness consists of an authorized overdraft in the amount of \$200,000 bearing interest at prime, secured by all assets of the village at large.

### 5. DEFERRED INCOME

	2025	2024
Deferred income consists of the following:		
Alberta Community Partnership	9,803	-
Permit fees	10,412	1,633
Prepaid property taxes and utilities	10,897	10,660
	31,112	12,293

### 6. EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024
Vacation and overtime	29,706	23,946
	29,706	23,946

**Vacation and overtime:** The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

### 7. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
Loans to Local Authorities	<u><b>1,331,718</b></u>	<u>93,496</u>

Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	140,771	49,067	189,838
2027	113,247	44,307	157,554
2028	117,603	39,951	157,554
2029	122,126	35,428	157,554
2030	123,823	30,731	154,554
Thereafter	714,148	76,619	790,767
	<u><b>1,331,718</b></u>	<u>276,103</u>	<u>1,607,821</u>

Debenture debt is repayable to the Loans to Local Authorities and bears interest at 3.569% to 3.81% per annum and matures in 2026 and 2035.

The village's total cash payments for interest in 2025 were \$2,791 (2024 - \$4,938).

### 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 Village of Holden be disclosed as follows:

	<u>2025</u>	<u>2024</u>
Total debt limit	<u><b>1,867,187</b></u>	1,922,661
Total debt	<u><b>1,331,718</b></u>	93,496
Surplus debt limit	<u><b>535,469</b></u>	<u>1,829,165</u>
Debt servicing limit	<u><b>311,198</b></u>	320,444
Debt servicing	<u><b>189,838</b></u>	64,569
Surplus debt servicing	<u><b>121,360</b></u>	<u>255,875</u>

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, which 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 HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (Schedule 2)	12,040,142	10,788,223
Accumulated amortization (Schedule 2)	(6,025,301)	(5,853,588)
Long-term debt (Note 6)	(1,331,718)	(93,496)
	4,683,123	4,841,139

### 10. ACCUMULATED SURPLUS

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

	2025	2024
<b>Unrestricted surplus</b>	<b>928,772</b>	<b>929,187</b>
<b>Restricted surplus</b>		
Debenture retirement	547,621	62,811
General capital	1,150,000	1,050,000
Administration	35,495	35,495
Streets and roads	199,195	199,195
Land development	34,000	34,000
Playground and recreation	58,919	58,919
Sewer	172,500	172,500
Culture	15,317	15,317
	2,213,047	1,628,237
<b>Equity in tangible capital assets</b>	<b>4,683,123</b>	<b>4,841,139</b>
	<b>7,824,942</b>	<b>7,398,563</b>

### 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)

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

### 12. SALARY AND BENEFITS DISCLOSURE

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

	2025			2024
	Salary	Benefits & Allowances	Total	Total
Beckett	2,910	-	2,910	4,688
Cole	2,125	-	2,125	1,406
Markel	2,725	-	2,725	2,325
Hill	1,700	-	1,700	-
Marsh	1,220	-	1,220	-
Ramshaw	825	-	825	-
CAO	95,367	11,938	107,305	106,100
Designated Officer (2)	12,452	-	12,452	11,934

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.

### 13. 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.

The village is a member of the Beaver Regional Waste Management Services Commission. Under the terms of the membership, the village could become liable for its proportionate share of any landfill closure and post-closure costs in excess of the funds held by the commission. Any liability incurred would be accounted for as a current transaction in the year the shortfall is determined.

### 14. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities and long-term debt. 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.

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

# VILLAGE OF HOLDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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### 15. 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 serves 316,938 people and 453 employers. 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.

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.

Total current service contributions by the village to the LAPP in 2025 were \$8,544. Total current service contributions by the employees of the village to the Local Authorities Pension Plan in 2025 were \$7,537.

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

### 16. CONTAMINATED SITES LAIBILITY

The village did not identify any financial liabilities in the current or prior year as a result of contaminated sites.

### 17. COMPARITIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.

### 18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.