

Financial Statements

**MUNICIPAL DISTRICT OF  
WILLOW CREEK NO. 26**

And Independent Auditor's Report thereon

Year ended December 31, 2025

## Management's Responsibility for Financial Reporting

Municipal District of Willow Creek No. 26's (the "Municipal District") management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements. Management believes that the financial statements present fairly the Municipal District'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 accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated 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 maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Municipal District's Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Municipal District's external auditors.

The financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to the Members of Council of the Municipal District of Willow Creek No. 26, stating the scope of their examination and opinion on the financial statements, follows.



---

Chief Administrative Officer



---

Director of Finance



**KPMG LLP**  
3410 Fairway Plaza Road South  
Lethbridge, AB T1K 7T5  
Canada  
Telephone 403 380 5700  
Fax 403 380 5760

## **INDEPENDENT AUDITOR'S REPORT**

To the Reeve and Members of Council of the Municipal District of Willow Creek No. 26

### ***Opinion***

We have audited the financial statements of the Municipal District of Willow Creek No. 26 (the Municipal District), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipal District as at December 31, 2025 and its results of operations, its changes in net financial assets (debt) 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 auditor's report.

We are independent of the Municipal District in accordance with the 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 Municipal District'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 Municipal District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipal District'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 the 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 Municipal District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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 Municipal District'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 Municipal District 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
- 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.

*KPMG LLP*

---

Chartered Professional Accountants

Lethbridge, Canada

April 27, 2026

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

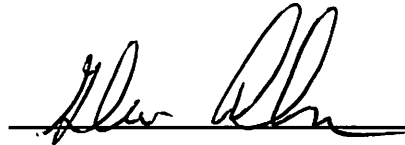
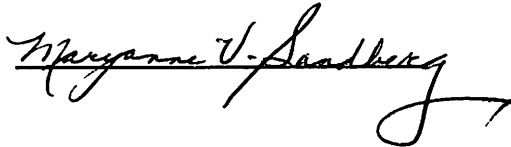
## Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial Assets:</b>		
Cash and short-term investments (note 3)	\$ 12,436,786	\$ 13,724,515
Taxes and grants in place of taxes (note 4)	588,483	477,065
Trade and other accounts receivable (note 5)	576,480	857,748
Land held for resale inventory	29,916	14,916
	<u>13,631,665</u>	<u>15,074,244</u>
<b>Financial Liabilities:</b>		
Accounts payable and accrued liabilities	1,279,983	1,583,657
Deferred revenue (note 6)	2,408,476	3,198,024
Employee future benefits (note 7)	94,845	85,318
Debt (note 8)	66,660	198,860
Asset retirement obligations (note 10)	3,429,818	3,329,920
	<u>7,279,782</u>	<u>8,395,779</u>
Net financial assets	6,351,883	6,678,465
<b>Non-Financial Assets:</b>		
Prepaid expenses	425,007	350,533
Inventory for consumption	2,290,026	2,835,350
Tangible capital assets (Schedule 6)	85,672,985	84,129,049
	<u>88,388,018</u>	<u>87,314,932</u>
Contingent liabilities (note 16)		
Accumulated surplus (note 9 and Schedule 3)	<u>\$ 94,739,901</u>	<u>\$ 93,993,397</u>

See accompanying notes to financial statements.

On behalf of the Council:



# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	Budget (note 17)	2025	2024
<b>Revenue:</b>			
Net municipal property taxes (Schedule 4)	\$ 13,585,000	\$ 13,557,771	\$ 12,790,445
User fees and sales of goods	555,800	1,002,238	717,932
Government transfers for operating (Schedule 1)	1,635,950	1,628,654	2,479,750
Return on Investments	404,000	230,378	468,373
Penalties and costs on taxes	117,500	312,086	132,811
Licenses and permits	9,500	7,869	9,020
Other revenues	1,270,116	1,503,166	1,311,360
Rentals	94,500	93,295	99,195
Franchise fees	-	-	5,140
Fines	30,000	36,865	30,942
<b>Total revenue</b>	<b>17,702,366</b>	<b>18,372,322</b>	<b>18,044,968</b>
<b>Expenses (Schedule 5):</b>			
Elected officials	435,175	443,897	421,721
General administration	1,782,175	1,836,277	2,442,931
Information technology	805,875	737,896	708,035
Fire	746,950	749,922	700,725
Disaster and emergency services	38,000	61,296	45,407
Claresholm medical clinic	4,900	28,204	13,231
Emergency services and bylaw enforcement	1,189,664	1,095,972	974,694
Transportation	8,934,100	7,991,464	7,578,834
Water development	724,750	704,393	734,227
Garbage collection and disposal	308,225	278,670	245,363
Cemeteries	56,717	42,030	22,310
Development and planning	742,125	756,338	738,110
Agricultural services board	718,125	658,413	658,518
Recreation boards	360,150	359,300	372,275
Parks and recreation	49,410	59,802	46,871
Libraries	132,100	132,706	131,027
Family and community support	223,500	223,360	223,360
Amortization of tangible capital assets	-	5,401,508	6,230,863
<b>Total expenses</b>	<b>17,251,941</b>	<b>21,561,448</b>	<b>22,288,502</b>
<b>Excess (deficiency) of revenue over expenses from operations</b>	<b>450,425</b>	<b>(3,189,126)</b>	<b>(4,243,534)</b>
<b>Other:</b>			
Contributed tangible capital assets	-	84,565	80,514
Government transfer for capital (Schedule 1)	417,700	3,520,835	2,518,279
Gain on sale of tangible capital assets	-	330,230	422,718
	417,700	3,935,630	3,021,511
<b>Excess (deficiency) of revenues over expenses (Schedule 2)</b>	<b>32,725</b>	<b>746,504</b>	<b>(1,222,023)</b>
<b>Accumulated surplus, beginning of year</b>	<b>93,993,397</b>	<b>93,993,397</b>	<b>95,215,420</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 94,026,122</b>	<b>\$ 94,739,901</b>	<b>\$ 93,993,397</b>

See accompanying notes to financial statements.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2025, with comparative information for 2024

	Budget (note 17)	2025	2024
Excess (deficiency) of revenue over expenses	\$ 32,725	\$ 746,504	\$ (1,222,023)
Acquisition of tangible capital assets	(17,056,100)	(7,225,245)	(4,518,255)
Contributed tangible capital assets	(12,000)	(84,565)	-
Amortization of tangible capital assets	-	5,401,508	6,230,863
Gain on sale of tangible capital assets	-	(330,230)	(422,718)
Proceeds on disposal of tangible capital assets	-	679,596	528,204
Transfer to land held for resale	-	15,000	-
Net change in prepaid expense	-	(74,474)	24,924
Net change in inventory for consumption	-	545,324	(1,666,595)
Change in net financial assets	(17,035,375)	(326,582)	(1,045,600)
Net financial assets, beginning of year	6,678,465	6,678,465	7,724,065
Net financial assets (debt), end of year	\$(10,356,910)	\$ 6,351,883	\$ 6,678,465

See accompanying notes to financial statements.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
<b>Operating activities:</b>		
Excess (deficiency) of revenues over expenses	\$ 746,504	\$ (1,222,023)
Non-cash items included in excess (deficiency) of revenue over expenses:		
Amortization of tangible capital assets	5,401,508	6,230,863
Contributed tangible capital assets	(84,565)	(80,514)
Gain on sale of tangible capital assets	(330,230)	(422,718)
Accretion expense on asset retirement obligations	99,898	96,988
	5,833,115	4,602,596
Changes in non-cash assets and liabilities:		
Taxes and grants in place of taxes	(111,418)	70,527
Trade and other accounts receivable	281,268	(581,164)
Land held for resale inventory	(15,000)	29,259
Accounts payable and accrued liabilities	(303,674)	214,685
Deferred revenue	(789,548)	1,729,133
Employee future benefits	9,527	(4,727)
Prepaid expenses	(74,474)	24,924
Inventory for consumption	545,324	(1,666,594)
	5,375,120	4,418,639
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(7,225,245)	(4,437,742)
Proceeds on disposal of tangible capital assets	679,596	528,204
Transfer to land held for resale	15,000	-
	(6,530,649)	(3,909,538)
<b>Financing activities:</b>		
Principal repayment of debt	(132,200)	(130,717)
	(132,200)	(130,717)
(Decrease) increase in cash and short-term investments	(1,287,729)	378,384
Cash and short-term investments, beginning of year	13,724,515	13,346,131
Cash and short-term investments, end of year	\$ 12,436,786	\$ 13,724,515

See accompanying notes to financial statements.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements

Year ended December 31, 2025

---

## 1. Significant accounting policies:

The financial statements of the Municipal District of Willow Creek No. 26 (the "Municipal District") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies adopted by the Municipal District are as follows:

### (a) Reporting entity:

The financial statements reflect the assets, liabilities, revenue and expenses, of the reporting entity which comprises all of the organizations that are owned or controlled by the Municipal District are, therefore, accountable to the Municipal District 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) Cash and temporary investments:

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

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (d) Investments:

Investments consist of funds on deposit. As the Municipal District has the ability and the intent to hold these investments to maturity they have been recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. For investments recorded at amortized cost, when there has been a loss in the value that is other than a temporary decline, the respective investment is written down to its realizable value. As all investments are recorded at amortized cost, there are no fair value adjustments which are not recognized through the Statement of Operations, as such, no Statement of Unrealized Gains or Losses is presented.

### (e) Revenue recognition:

All revenues are recorded on an accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

#### i. 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.

#### ii. Exchange transactions

Revenue from sales and user fees and other exchange transactions is recognized when the Municipal District satisfies its performance obligation with 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. Licenses and permits 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.

#### iii. Non-exchange transactions

Revenue from net municipal property taxes and other non-exchange transactions is recognized when the Municipal District has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (f) Inventories for resale:

Land inventory held for resale is recorded as 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 leveling. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function.

### (g) Asset Retirement Obligations:

Asset retirement obligations are legal obligations associated with the retirement of tangible capital asset. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and
- constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

At each financial reporting date, the Municipal District reviews the carrying amount of the liability. The Municipal District 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, 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 Municipal District continues to recognize the liability until it is settled. Disbursements made to settle the liability are deducted from the reported liability when they are made.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (h) Contaminated sites liability:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive 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 measured at management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Liabilities for contaminated sites are measured using discounted cash flows reflecting the time value of money and are recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Municipal District is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

### (i) 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.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (j) 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.

#### 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>Assets</u>	<u>Years</u>
Buildings	25 - 100
Land improvements	15 - 45
Engineered structures	15 - 100
Machinery and equipment	5 - 25
Vehicles	5 - 25

---

Assets under construction are not amortized until the asset is available for productive use.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (j) Non-financial assets (continued):

#### ii. Contribution 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. Inventories:

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

#### iv. Asset impairment:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Municipal District's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital asset is less than their book value. The net write-downs are accounted for as an expense.

#### v. 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.

#### vi. Works of art and cultural and historical assets:

Works of art and cultural and historical assets are not recorded as assets in these financial statements.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (k) Use of estimates:

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 revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Significant areas subject to such estimates and assumptions include the estimated useful life of tangible capital assets, asset retirement obligations, taxes and grants in place of taxes, and land held for resale. Actual results could differ from those estimates.

### (l) Employee future benefits:

The Municipal District is a member of a defined contribution multi-employer pension plan covering substantially all of its employees. Pension contributions are accounted for using defined contribution accounting, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 2. Recent accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board ("PSAB"). In 2026, the Municipal District will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

### (a) The Conceptual Framework for Financial Reporting in the Public Sector:

The Conceptual Framework for Financial Reporting in the Public Sector, is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

This revised framework is effective for fiscal years beginning on or after April 1, 2026. Early adoption is permitted. The conceptual framework is to be applied prospectively.

### (b) PS 1202 Financial Statement Presentation:

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. This is effective for fiscal years beginning on or after April 1, 2026. Early adoption is permitted only if the Conceptual Framework for Financial Reporting in the Public Sector is also adopted at the same time.

### (c) PS 3251 - Employee Benefits:

Effective for fiscal years beginning on or after April 1, 2029, the new standard replaces the existing employee benefits guidance in Sections PS 3250 and PS 3255.

## 3. Cash and short-term investments:

Short-term investments are short-term deposits with maturities of twelve months or less. The Municipal District did not have any temporary investments in 2025 or 2024.

Included in cash and short-term investments is a restricted amount of \$2,018,942 (2024 - \$2,647,410) received from senior levels of government and held exclusively for capital projects. See capital portion of deferred revenue in note 6.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 4. Taxes and grants in place of taxes:

	2025	2024
Taxes and grants in place of taxes:		
Current	\$ 620,043	\$ 442,989
Arrears	104,143	70,585
	724,186	513,574
Less: allowance for doubtful accounts	(135,703)	(36,509)
	\$ 588,483	\$ 477,065

## 5. Trade and other receivables:

	2025	2024
Trade and other accounts receivable	\$ 474,977	\$ 747,658
Goods and services tax receivable	107,366	119,501
	582,343	867,159
Less: Allowance for doubtful accounts	(5,863)	(9,411)
	\$ 576,480	\$ 857,748

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 6. Deferred revenue:

	2025	2024
Deferred revenue, beginning of year	\$ 3,198,024	\$ 1,468,891
Funds received in the year:		
Operating	390,834	542,648
Capital	2,819,439	4,341,485
	3,210,273	4,884,133
Amounts recognized in revenue during the year:		
Operating	(546,470)	(528,247)
Capital	(3,453,351)	(2,626,753)
	(3,999,821)	(3,155,000)
Deferred revenue, end of year	\$ 2,408,476	\$ 3,198,024
Deferred revenue is comprised of:		
Operating:		
Dead Stock Removal Grant	\$ 1,864	\$ 6,917
Prepaid property tax	321,342	295,201
Medical First Response (MFR)	14,892	4,838
Fire Services Training Grant	17,628	10,595
Claresholm Community Hall - 2025 Fire Games	330	330
2021/22 Alberta Community Partnership Strategic Initiatives	-	125,999
Disaster Services	-	23,595
Community Foundation Grant - Granum Library	-	9,593
Community Foundation Grant - Rural Life	-	15,000
Community Foundation Grant - Food Bank	-	3,500
Intact Insurance Company - Granum Cemetery Sign	-	26,717
Other	33,478	28,329
Capital:		
Alberta Community Resilience Program	-	65,010
Canada Community Building Fund	-	444,939
Strategic Transportation Infrastructure Program (STIP)	2,018,942	2,137,461
	\$ 2,408,476	\$ 3,198,024

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 7. Employee future benefits:

	2025	2024
Vacation pay	\$ 66,928	\$ 43,955
Banked overtime	13,106	12,743
Sick time accrual	14,810	28,620
	\$ 94,845	\$ 85,318

## 8. Debt:

	2025	2024
Tax supported debentures	\$ 66,660	\$ 198,860

The current portion of long-term debt amounts to \$66,660 (2024 - \$132,200). Principal and interest repayments are as follows:

	Principal	Interest	Total
2026	\$ 66,660	\$ 377	\$ 67,037

Debenture debt is repayable to the Government of Alberta Department of Treasury Board and Finance and bears interest at the rates of 1.13% per annum, before Provincial subsidy, and matures in 2026. Debenture debt is issued on the credit and security of the Municipal District at large.

Interest payments on debt amounted to \$1,809 (2024 - \$1,875).

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

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	\$ 277,938	\$ 247,127
Restricted surplus:		
Operating:		
Granum	167,416	167,416
Granum Cemetery	8,459	1,050
Discretionary grants	3,815	1,341
Physicians recruitment	41,200	41,200
Capital:		
Fire	1,082,274	473,738
Capital acquisition reserve	1,840,530	2,201,267
Equipment	872,160	1,414,068
Claresholm Medical Centre	504,188	441,526
Disaster Services	342,882	319,286
Landfill	16,684	16,683
Protective services	397,089	197,089
Claresholm Industrial Airport	320,275	320,275
Roads	4,796,263	5,422,534
Granum equipment	121,246	121,246
Granum land development	112,088	43,223
Granum water system replacement	142,300	162,300
Bridge file	1,028,437	1,092,151
Gravel pit reclamation	100,000	100,000
Buildings	288,150	509,608
Environmental Buildings	100,000	100,000
	12,285,456	13,146,001
Equity in tangible capital assets	82,176,507	80,600,269
	\$ 94,739,901	\$ 93,993,397

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 9. Accumulated surplus (continued):

---

	2025	2024
Equity in tangible capital assets:		
Tangible capital assets (Schedule 6)	\$283,273,097	\$277,761,692
Accumulated amortization (Schedule 6)	(197,600,112)	(193,632,643)
Loans related to capital assets	(66,660)	(198,860)
Asset retirement obligation	(3,429,818)	(3,329,920)
	<hr/> \$ 82,176,507	<hr/> \$ 80,600,269

---

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 10. Asset retirement obligations and environmental liabilities:

	2025	2024
Asset retirement obligations, beginning of year	\$ 3,329,920	\$ 3,232,932
Accretion expense	99,898	96,988
	<u>\$ 3,429,818</u>	<u>\$ 3,329,920</u>

Tangible capital assets with associated retirement obligations include buildings, fuel tanks, a lagoon and gravel pits.. The Municipal District has asset retirement obligations to remove hazardous asbestos fiber containing materials from various buildings under its control. Regulations require the Municipal District to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Municipal District to remove the asbestos when asset retirement activities occur.

The Municipal District has identified an asset retirement obligation related to its lagoon. This obligation arises from regulations that require the Municipal District to decommission the lagoon and remediate the associated site upon permanent closure. Retirement activities may include abandonment and removal of structures, site remediation, and reclamation.

The Municipal District also has an obligation to remediate and restore the land associated with the gravel pits to their original condition, including replacement of top soil and vegetation.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently remeasured taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on a quote from a third-party who completed a survey and supplemental sampling at all Municipal District buildings.

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. Asset retirement obligations are expected to be settled over the next 5 to 50 years.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 11. 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 Municipal District be disclosed as follows:

	2025	2024
Total debt limit	\$ 28,053,828	\$ 27,701,529
Total debt	(66,660)	(198,860)
Amount of debt limit unused	27,987,168	27,502,669
Debt servicing limit	4,675,638	4,616,922
Debt servicing	(67,037)	(130,717)
Amount of debt servicing unused	\$ 4,608,601	\$ 4,486,205

The debt limit is calculated at 1.5 times revenue of the Municipal District (as defined in Alberta Regulation 255/2000) and the debt service 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 Municipal District. Rather, the financial statements must be interpreted as a whole.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 12. Local Authorities Pension Plan:

The Municipal District participates in a multi-employer defined pension plan. The plan is accounted for as a defined contribution plan.

Employees of the Municipal District 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 about 317,000 people and about 453 employers. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Municipal District is required to make current service contributions to the LAPP of 8.45% (8.45% in 2024) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% (11.65% in 2024) on pensionable earnings above this amount. Employees of the Municipal District are required to make current service contributions of 7.45% (7.45% in 2024) of pensionable salary up to the year's maximum pensionable salary and 10.65% (10.65% in 2024) on pensionable salary above this amount.

Total current service contributions by the Municipal District to the LAPP in 2025 were \$391,559 (2024 - \$394,205). Total current service contributions by the employees of the Municipal District to the LAPP in 2025 were \$349,854 (2024 - \$352,117).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.6 billion (2023 - surplus of \$15.1 billion); the 2025 LAPP actuarial balance was not available at the date of this report.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 13. Segmented disclosure:

Segmented information has been identified based upon lines of service provided by the Municipal District. Municipal District services are provided by departments and their activities are reported by functional area in the body of the financial statements. The segmented information is presented in Schedule 2. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government:

The mandate of general government includes all Council governance, administrative and taxation functional activities.

(b) Protective and Bylaw Services:

The mandate of Protective and Bylaw Services is to provide for policing and bylaw services.

(c) Disaster Services:

The mandate of Disaster Services includes municipal emergency planning, disaster response and emergency services dispatching.

(d) Fire and Emergency Services:

The mandate of Fire and Emergency Services is to provide for the rescue and protection of people and property within the Municipal District through effective and efficient management and coordination of emergency service systems and resources.

(e) Transportation Services:

Transportation Services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway system, streets, walks and lighting, asset management and infrastructure design and construction.

(f) Planning and Development:

Planning and Development is responsible for the administration of municipal planning documents pertaining to residential, commercial, industrial and agricultural development services within the Municipal District.

(g) Recreation and Culture:

The Recreation and Culture department is responsible for providing regional recreation, summer games and community event funding.

(h) Agricultural Service Board:

The mandate of the Agricultural Service Board is to undertake the requirements of the Agricultural Service Board Act, Weed Control Act, Soil Conservation Act and to provide guidance on agricultural matters to the municipal council and agricultural related services to the public.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 13. Segmented disclosure: (continued):

(i) Environmental Services:

Environmental Services is responsible for water supply and distribution services within the Municipal District including water and waste services, solid waste disposal and recycling services.

(j) Community Services:

Community Services provides funding for programs that support individuals, families, and communities through programs and services which are delivered through Family and Community Support Services, cemetery services and medical facilities.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 14. Salary and benefits disclosure:

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

	Salaries (i)	Benefits and Allowances (ii)	Total 2025	Total 2024
Division 1 - Van Driesten	\$ 39,932	\$ 13,223	\$ 53,155	\$ 51,189
Division 2 - Kroetsch	33,277	8,894	42,171	49,887
Division 2 - Fleming	6,656	2,595	9,251	-
Division 3 - Sandberg	51,341	9,779	61,120	57,973
Division 4 - Alm	39,932	13,647	53,579	51,612
Division 5 - Hemmaway	39,932	9,327	49,259	45,689
Division 6 - Berger	39,932	11,317	51,249	49,069
Division 7 - Nelson	39,932	9,418	49,350	46,750
	290,934	78,200	369,134	352,169
Chief Administrative Officer	\$ 280,826	\$ 42,178	\$ 323,004	\$ 303,375

- i) Salary includes regular base pay. For Councillors, salary includes a monthly allowance to attend special events and per diem reimbursement for authorized meetings attended.
- ii) For non-elected officials, 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 plans as well as travel allowances, and professional memberships and tuition.

Benefits and allowances also include the employer's share of the costs of additional taxable benefits.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 15. Financial instruments:

The Municipal District as part of its operations carries a number of financial instruments, such as cash and short-term investments, accounts receivable, investments, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the Municipal District is not exposed to significant interest, or currency risks arising from these financial instruments except as otherwise disclosed.

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

### i. Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipal District manages exposure through its normal operating and financing activities.

### ii. Credit concentration:

The Municipal District is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipal District provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

### iii. Liquidity risk:

Liquidity risk is the risk that the Municipal District will not be able to meet its financial obligations as they become due. The Municipal District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 16. Contingent liabilities:

- i. The Municipal District is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Municipal District 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.
- ii. The Municipal District is a member of the Willow Creek Waste Management Services Commission (the "Commission"). The Commission has not determined what the future liability is to close the landfill sites and consequently, the Municipal District could become liable for its proportionate share of any closure and post closure costs in excess of the funds held by the Commission. As of the reporting date, these costs are not determinable.

## 17. Budget:

The budget information presented in these financial statements is based upon the 2025 operating and capital budgets approved by the Reeve and Council of the Municipal District of Willow Creek on April 9, 2025.

## 18. Approval of financial statements:

Council and Management approved these financial statements.

## 19. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses or accumulated surplus.

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Schedule 1 - Schedule of Government Transfers

Year ended December 31, 2025, with comparative information for 2024

	Budget (note 17)	2025	2024
<b>Transfers for operating:</b>			
General administration	\$ 558,200	\$ 563,711	\$ 1,377,395
Disaster Services	-	-	19,286
Bylaw & emergency services	28,225	10,595	12,172
Family and community support	178,700	178,688	178,688
Agricultural services board	186,250	191,247	186,247
Environmental Services	6,000	5,838	3,027
Roads, streets, walks, lighting	678,575	678,575	702,935
	1,635,950	1,628,654	2,479,750
<b>Transfers for capital:</b>			
Provincial government	417,700	3,520,835	2,518,279
<b>Total government transfers</b>	<b>\$ 2,053,650</b>	<b>\$ 5,149,489</b>	<b>\$ 4,998,029</b>

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Schedule 2 - Schedule of Segmented Disclosures

Year ended December 31, 2025, with comparative information for 2024

	General government	Bylaw & emergency services	Disaster services	Protective services (Fire)	Transportation services	Planning and development	Parks & recreation	Agricultural service board	Environmental services	Other	2025	2024
<b>Revenue:</b>												
Net municipal taxes	\$ 13,557,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,557,771	\$ 12,790,445
Government transfers	742,399	10,595	-	-	678,575	-	-	191,247	5,838	-	1,628,654	2,479,749
User fees and sales of goods	40,387	-	-	377,340	56,283	447,703	5,597	74,928	-	-	1,002,238	717,932
Investment income	230,378	-	-	-	-	-	-	-	-	-	230,378	488,373
Contributed Assets	84,565	-	-	-	-	-	-	-	-	-	84,565	80,514
Penalties and cost of taxes	312,086	-	-	-	-	-	-	-	-	-	312,086	132,811
Licenses and permits	-	-	-	-	-	7,869	-	-	-	-	7,869	9,020
Rentals	-	-	-	-	4,335	-	-	7,360	12,000	69,600	93,295	99,195
Fines	36,865	-	-	-	-	-	-	-	-	-	36,865	30,942
Franchise Fees	-	-	-	-	-	-	-	-	-	-	-	5,140
Gain on disposal of tangible capital assets	330,230	-	-	-	-	-	-	-	-	-	330,230	422,718
Other	223,235	214,529	32,466	148,841	339,275	50,619	-	7,464	486,737	-	1,503,166	1,311,361
Government grant capital	-	-	-	-	3,520,835	-	-	-	-	-	3,520,835	2,518,279
	15,557,916	225,124	32,466	526,181	4,599,303	506,191	5,597	280,999	504,575	69,600	22,307,952	21,066,479
<b>Expenses:</b>												
Salaries, wages and benefits	1,691,507	814,775	132	10,211	4,150,632	338,011	11,181	438,795	126,638	-	7,581,882	7,045,709
Contracted and general services	755,734	103,384	45,074	571,960	477,547	416,047	20,049	51,298	283,100	15,461	2,739,654	3,250,709
Materials, goods, and utilities	426,508	177,816	16,089	167,752	3,340,785	2,280	28,571	168,319	500,353	44,481	4,872,954	4,875,473
Transfers to local boards	-	-	-	-	-	-	359,300	-	-	-	359,300	372,275
Other	101,827	-	-	-	-	-	-	-	-	-	101,827	16,225
Interest and bank charges	17,167	-	-	-	-	-	-	-	-	-	17,167	9,164
Transfers to organizations and individuals	248,688	-	-	-	22,500	-	-	-	72,972	142,998	487,156	488,084
Amortization	164,158	78,316	-	425,307	4,640,060	-	12,151	66,329	15,187	-	5,401,508	6,230,863
	3,405,587	1,174,291	61,295	1,175,230	12,631,524	756,338	431,252	724,741	998,250	202,940	21,561,448	22,288,502
Excess (deficiency) of revenue over expenses	\$ 12,152,329	\$ (949,167)	\$ (28,829)	\$ (649,049)	\$ (8,032,221)	\$ (250,147)	\$ (425,655)	\$ (443,742)	\$ (493,675)	\$ (133,340)	\$ 746,504	\$ (1,222,023)

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Schedule 3 - Schedule of Changes in Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	Unrestricted	Restricted surplus	Equity in tangible capital assets	2025	2024
Balance, beginning of year	\$ 247,127	\$ 13,146,001	\$ 80,600,269	\$ 93,993,397	\$ 95,215,420
Excess (deficiency) of revenues over expenses	746,504	-	-	746,504	(1,222,023)
Transferred from restricted surplus	3,468,214	(3,468,214)	-	-	-
Transferred to restricted surplus	(2,607,669)	2,607,669	-	-	-
Current year funds used for tangible capital assets	(7,225,245)	-	7,225,245	-	-
Transfer to land held for resale	15,000	-	(15,000)	-	-
Contributed tangible capital assets	(84,565)	-	84,565	-	-
Net book value of tangible capital assets disposed	349,366	-	(349,366)	-	-
Amortization of tangible capital assets	5,173,797	-	(5,173,797)	-	-
Amortization of ARO expense	227,711	-	(227,711)	-	-
Accretion expense	99,898	-	(99,898)	-	-
Decrease in debt	(132,200)	-	132,200	-	-
Change in accumulated surplus	30,811	(860,545)	1,576,238	746,504	(1,222,023)
Balance, end of year	\$ 277,938	\$ 12,285,456	\$ 82,176,507	\$ 94,739,901	\$ 93,993,397

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Schedule 4 - Schedule of Net Municipal Property Taxes

Year ended December 31, 2025, with comparative information for 2024

	Budget (note 17)	2025	2024
<b>General taxation:</b>			
Real property tax	\$ 9,866,536	\$ 9,867,380	\$ 9,060,463
Special tax - Claresholm	-	-	54,854
Linear property tax	9,796,361	9,770,051	9,065,863
Government grants in place of property taxes	9,457	7,694	(593)
	19,672,354	19,645,125	18,180,587
<b>Requisitions:</b>			
Alberta School Foundation Fund	4,885,234	4,885,234	4,139,243
Claresholm Recreation	-	-	54,918
Provincial Policing costs	469,408	469,408	496,286
Seniors Foundations	657,685	657,685	621,788
Designated Industrial Property	75,027	75,027	77,907
	6,087,354	6,087,354	5,390,142
<b>Net municipal property tax</b>	<b>\$ 13,585,000</b>	<b>\$ 13,557,771</b>	<b>\$ 12,790,445</b>

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Schedule 5 - Schedule of Expenses by Object

Year ended December 31, 2025, with comparative information for 2024

	Budget (note 17)	2025	2024
Salaries, wages and benefits	\$ 7,740,935	\$ 7,581,882	\$ 7,045,709
Contracted and general services	3,203,475	2,739,654	3,250,709
Materials, goods and utilities	5,399,456	4,872,954	4,875,473
Transfers to local boards	360,150	359,300	372,275
Interest and bank charges	7,875	17,167	9,164
Transfers to organizations and individuals	490,050	487,156	488,084
Other	50,000	101,827	16,225
Amortization	-	5,401,508	6,230,863
<b>Total expenses by object</b>	<b>\$ 17,251,941</b>	<b>\$ 21,561,448</b>	<b>\$ 22,288,502</b>

# MUNICIPAL DISTRICT OF WILLOW CREEK NO. 26

## Schedule 6 - Schedule of Tangible Capital Assets

Year ended December 31, 2025, with comparative information for 2024

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Assets under construction	2025	2024
<b>Cost:</b>									
Balance, beginning of year	\$ 6,792,621	\$ 764,766	\$ 14,072,412	\$ 227,532,979	\$ 18,532,866	\$ 7,492,801	\$ 2,573,247	\$ 277,761,692	\$ 274,944,982
Acquisition of tangible capital assets	-	-	385,673	4,419,580	2,184,885	235,107	-	7,225,245	4,437,741
Contributed tangible capital assets	-	-	-	-	84,565	-	-	84,565	80,514
Work in progress transfers	-	-	(80,315)	2,194,789	-	146,243	(2,260,717)	-	-
Disposal of tangible capital assets	(15,000)	-	-	(385,875)	(1,297,352)	(85,178)	-	(1,783,405)	(1,701,545)
Transfer to land for resale	(15,000)	-	-	-	-	-	-	(15,000)	-
<b>Balance, end of year</b>	<b>6,762,621</b>	<b>764,766</b>	<b>14,377,770</b>	<b>233,761,473</b>	<b>19,504,964</b>	<b>7,788,973</b>	<b>312,530</b>	<b>283,273,097</b>	<b>277,761,692</b>
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	290,671	3,639,233	176,519,218	8,858,142	4,325,379	-	193,632,643	188,997,839
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated amortization on disposals	-	-	-	(361,481)	(987,380)	(85,178)	-	(1,434,039)	(1,596,059)
Amortization	-	26,497	223,325	2,997,362	1,504,216	422,397	-	5,173,797	6,003,152
Asset retirement obligation amortization	-	-	5,280	221,569	862	-	-	227,711	227,711
<b>Balance, end of year</b>	<b>-</b>	<b>317,168</b>	<b>3,867,838</b>	<b>179,376,668</b>	<b>9,375,840</b>	<b>4,662,598</b>	<b>-</b>	<b>197,600,112</b>	<b>193,632,643</b>
<b>Net book value of tangible capital assets</b>	<b>6,762,621</b>	<b>447,598</b>	<b>10,509,932</b>	<b>54,384,805</b>	<b>10,129,124</b>	<b>3,126,375</b>	<b>312,530</b>	<b>85,672,985</b>	<b>84,129,049</b>
<b>2024 Net book value of tangible capital assets</b>	<b>\$ 6,792,621</b>	<b>\$ 474,095</b>	<b>\$ 10,433,179</b>	<b>\$ 51,013,761</b>	<b>\$ 9,674,724</b>	<b>\$ 3,167,422</b>	<b>\$ 2,573,247</b>	<b>\$ 84,129,049</b>	