



**REGULAR MEETING OF COUNCIL
A G E N D A
Wednesday, April 29, 2026, 6:30 pm
Council Chamber & Zoom Access**

1. CALL TO ORDER
2. ADOPTION OF AGENDA
3. PUBLIC HEARINGS – none
4. DELEGATIONS
 - 4.1 2025 Financial Audit Presentation – Scott St. Arnaud – Gitzel & Company
5. APPROVAL OF MINUTES
 - 5.1 Minutes of April 15, 2026, Regular Meeting of Council
6. CONSENT AGENDA
 - 6.1 Bashaw Golf & Country Club Financial Statements12
7. NEW & UNFINISHED BUSINESS
 - 7.1 2025 Audited Financial Statement Approval
 - 7.2 Community Policing priorities - Discussion
8. CELEBRATORY CORRESPONDENCE FROM COUNCIL
9. CLOSED MEETING OF COUNCIL
 - 9.1 Legal – Unrestricted Surplus 12/21 Water Commission – ATIA Section 26
 - 9.2 Legal – Development Application – ATIA Section 29
 - 9.3 Legal – Land Lease – ATIA Section 29
10. NOTICES OF MOTION
11. NEXT MEETING: – May 6 & 20, 2026 – 6:00 pm
12. ADJOURNMENT

TOWN OF BASHAW
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

TOWN OF BASHAW
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Page
Managements' Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Schedule 1 – Changes in Accumulated Surplus	8
Schedule 2 – Schedule of Tangible Capital Assets	9
Schedule 3 – Property and Other Taxes	10
Schedule 4 – Government Transfers	11
Schedule 5 – Expenses by Object	11
Schedule 6 – Segmented Disclosure	12
Notes to the Financial Statements	13 - 27

MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Bashaw 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 town's financial position as at December 31, 2025 and the results of its operations for the year then ended.

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

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure 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 town council carries out its responsibilities for review of the financial statements principally through council meetings. Council meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Town Council has approved the financial statements.

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the town's financial statements.

Chief Administrative Officer

Date

INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council
Town of Bashaw

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Municipal Financial Statements* section of our report. We are independent of the town 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 ability of the town 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 town's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 purposes of expressing an opinion on the effectiveness of the town'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 town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 the auditors' report. However, future events or conditions may cause the town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stettler, Alberta
April 29, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

TOWN OF BASHAW
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and short term investments (Note 3)	\$ 2,118,659	\$ 1,610,336
Taxes and grants in place of taxes receivables (Note 4)	149,901	180,504
Trade and other receivables (Note 5)	390,890	582,280
Long-term investments (Note 6)	<u>373,995</u>	<u>373,995</u>
	<u>3,033,445</u>	<u>2,747,115</u>
LIABILITIES		
Accounts payable and accrued liabilities	307,309	211,644
Tax sale surplus (Note 7)	33,226	33,226
Deposit liabilities	1,625	1,625
Deferred revenue (Note 8)	714,101	415,102
Due to Highway 12/21 Regional Water Services Commission (Note 9)	214,949	230,354
Reclamation liability (Note 10)	12,800	12,800
Asset retirement obligation (Note 11)	<u>497,382</u>	<u>413,493</u>
	<u>1,781,392</u>	<u>1,318,244</u>
NET FINANCIAL ASSETS (DEBT)	<u>1,252,053</u>	<u>1,428,871</u>
NON-FINANCIAL ASSETS		
Land held for resale	244,516	244,516
Prepaid expenses	20,608	25,367
Inventory for consumption	4,379	4,378
Tangible capital assets (Schedule 2)	<u>10,367,669</u>	<u>10,549,624</u>
	<u>10,637,172</u>	<u>10,823,885</u>
ACCUMULATED SURPLUS (Schedule 1, Note 12)	\$ <u>11,889,225</u>	\$ <u>12,252,756</u>
Commitments (Note 19)		
Contingencies (Note 20)		

APPROVED ON BEHALF OF THE TOWN COUNCIL:

_____ Mayor

TOWN OF BASHAW

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
REVENUES			
Net municipal property taxes (Schedule 3)	\$ 893,499	\$ 893,300	\$ 867,227
Government transfers for operating (Schedule 4)	277,058	267,130	346,525
Sales of goods and user fees	798,464	845,032	861,022
Investment income	45,000	48,868	81,038
Penalties and costs of taxes	35,000	38,717	38,320
Franchise and concession contracts	67,035	64,360	64,544
Rentals	31,245	31,847	30,409
Donations, permits and other	30,637	63,573	27,336
Gain on disposal of tangible capital assets	-	2,582	-
Total Revenue	<u>2,177,938</u>	<u>2,255,409</u>	<u>2,316,421</u>
EXPENSES (Schedule 5)			
Legislative	39,445	36,487	30,817
Administration	434,430	437,287	405,750
Fire, ambulance and bylaws enforcement	170,200	173,035	192,278
Roads, streets, walk, lighting	381,117	390,292	415,407
Water and wastewater	606,735	653,583	702,596
Waste management	62,405	62,048	76,133
Family and community support	32,074	32,074	63,700
Public health and welfare	19,688	12,547	12,427
Subdivision land and development	74,512	67,592	67,078
Recreation and parks	294,977	306,509	321,147
Culture	62,358	59,965	77,814
Amortization (Note 21)	-	440,079	454,067
Accretion (Note 11)	-	20,784	19,746
Loss on disposal of tangible capital assets	-	-	17,644
Total Expenses	<u>2,177,941</u>	<u>2,692,282</u>	<u>2,856,604</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE CAPITAL REVENUE	(3)	(436,873)	(540,183)
CAPITAL REVENUE			
Government transfers for capital (Schedule 4)	<u>55,000</u>	<u>73,342</u>	<u>55,240</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ <u>54,997</u>	<u>(363,531)</u>	<u>(484,943)</u>
ACCUMULATED SURPLUS – BEGINNING OF YEAR		<u>12,252,756</u>	<u>12,737,699</u>
ACCUMULATED SURPLUS – END OF YEAR		\$ <u>11,889,225</u>	\$ <u>12,252,756</u>

TOWN OF BASHAW

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ <u>54,997</u>	\$ <u>(363,531)</u>	\$ <u>(484,943)</u>
Acquisition of tangible capital assets	(188,000)	(200,972)	(94,099)
Change in discount rate for asset retirement obligation	-	(63,105)	(6,493)
Proceeds on disposal of tangible capital assets	-	8,534	25,341
Amortization of tangible capital assets	-	440,079	454,067
(Gain) loss on disposal of tangible capital assets	<u>-</u>	<u>(2,582)</u>	<u>17,644</u>
	<u>(188,000)</u>	<u>181,954</u>	<u>396,460</u>
Use of prepaid assets	-	25,367	17,500
Acquisition of prepaid assets	-	(20,608)	(25,367)
Cost of land held for resale sold	<u>-</u>	<u>-</u>	<u>5,546</u>
	<u>-</u>	<u>4,759</u>	<u>(2,321)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)	\$ <u>(133,003)</u>	(176,818)	(90,804)
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR		<u>1,428,871</u>	<u>1,519,675</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR		\$ <u>1,252,053</u>	\$ <u>1,428,871</u>

TOWN OF BASHAW

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ (363,531)	\$ (484,943)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	440,079	454,067
Gain/Loss on disposal of tangible capital assets	(2,582)	17,644
Accretion	20,784	19,746
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivables	30,603	(5,247)
Trade and other receivables	191,390	(377,314)
Prepaid expenses	4,759	(7,867)
Cost of land held for resale	-	5,546
Accounts payable and accrued liabilities	95,665	34,677
Tax sale surplus	-	12,311
Deposit liabilities	-	(372)
Deferred revenue	298,999	347,547
Net cash provided by (used in) operating activities	<u>716,166</u>	<u>15,795</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(200,972)	(94,099)
Proceeds on disposal of tangible capital assets	8,534	25,341
Net cash provided by (used in) capital activities	<u>(192,438)</u>	<u>(68,758)</u>
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash and short-term investments	<u>(485,570)</u>	<u>4,090</u>
Net cash provided by (used in) investing activities	<u>(485,570)</u>	<u>4,090</u>
FINANCING ACTIVITIES		
Due to Highway 12/21 Regional Water Services Commission - Payments	<u>(15,405)</u>	<u>(14,731)</u>
Net cash provided by (used in) financing activities	<u>(15,405)</u>	<u>(14,731)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	22,753	(63,604)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,525,956</u>	<u>1,589,560</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>1,548,709</u>	<u>1,525,956</u>
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash and short term investments (Note 3)	2,118,659	1,610,336
Less: Restricted portion of cash and short term investments (Note 3)	<u>(569,950)</u>	<u>(84,380)</u>
	\$ <u>1,548,709</u>	\$ <u>1,525,956</u>

TOWN OF BASHAW

SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2025	2024
BALANCE - BEGINNING OF YEAR	\$ <u>1,512,075</u>	\$ <u>604,550</u>	\$ <u>10,136,131</u>	\$ <u>12,252,756</u>	\$ <u>12,737,699</u>
Excess (deficiency) of revenues over expenses	(363,531)	-	-	(363,531)	(484,943)
Funds designated for future use	(9,000)	9,000	-	-	-
Restricted funds used for tangible capital assets	-	(70,000)	70,000	-	-
Current year funds used for tangible capital assets	(130,972)	-	130,972	-	-
Disposal of tangible capital assets	5,953	-	(5,953)	-	-
Annual accretion expense	20,784	-	(20,784)	-	-
Annual amortization expense	<u>440,079</u>	<u>-</u>	<u>(440,079)</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>(36,687)</u>	<u>(61,000)</u>	<u>(265,844)</u>	<u>(363,531)</u>	<u>(484,943)</u>
BALANCE - END OF YEAR	\$ <u><u>1,475,388</u></u>	\$ <u><u>543,550</u></u>	\$ <u><u>9,870,287</u></u>	\$ <u><u>11,889,225</u></u>	\$ <u><u>12,252,756</u></u>

TOWN OF BASHAW

SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

		Land		Land Improvements		Buildings		Engineered Structures		Machinery and Equipment		Vehicles		2025		2024
COST:																
BALANCE - BEGINNING OF YEAR	\$	231,357	\$	114,510	\$	4,260,572	\$	15,415,525	\$	1,075,948	\$	206,750	\$	21,304,662	\$	21,333,870
Acquisition of tangible capital assets		-		-		-		50,802		56,545		93,625		200,972		94,099
Change in discount rate for asset retirement obligation		-		-		63,105		-		-		-		63,105		6,493
Disposal of tangible capital assets		-		-		-		-		(13,200)		-		(13,200)		(129,800)
BALANCE - END OF YEAR		<u>231,357</u>		<u>114,510</u>		<u>4,323,677</u>		<u>15,466,327</u>		<u>1,119,293</u>		<u>300,375</u>		<u>21,555,539</u>		<u>21,304,662</u>
ACCUMULATED AMORTIZATION																
BALANCE - BEGINNING OF YEAR		-		65,015		1,617,768		8,183,803		806,360		82,092		10,755,038		10,387,786
Annual amortization		-		5,751		80,701		293,462		43,404		16,761		440,079		454,067
Accumulated amortization on disposals		-		-		-		-		(7,247)		-		(7,247)		(86,815)
BALANCE - END OF YEAR		<u>-</u>		<u>70,766</u>		<u>1,698,469</u>		<u>8,477,265</u>		<u>842,517</u>		<u>98,853</u>		<u>11,187,870</u>		<u>10,755,038</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$	<u>231,357</u>	\$	<u>43,744</u>	\$	<u>2,625,208</u>	\$	<u>6,989,062</u>	\$	<u>276,776</u>	\$	<u>201,522</u>	\$	<u>10,367,669</u>	\$	<u>10,549,624</u>
2024 NET BOOK VALUE OF TANGIBLE CAPTIAL ASSETS	\$	<u>231,357</u>	\$	<u>49,495</u>	\$	<u>2,642,804</u>	\$	<u>7,231,722</u>	\$	<u>269,588</u>	\$	<u>124,658</u>	\$	<u>10,549,624</u>		

TOWN OF BASHAW

SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
TAXATION			
Real property taxes	\$ 1,090,944	\$ 1,090,745	\$ 1,030,782
Linear property taxes	48,153	48,153	45,578
Government grants in lieu of property taxes	<u>19,518</u>	<u>19,518</u>	<u>18,418</u>
	<u>1,158,615</u>	<u>1,158,416</u>	<u>1,094,778</u>
REQUISITIONS			
Alberta School Foundation Fund	261,876	261,876	224,856
Camrose Seniors' Foundation	<u>3,240</u>	<u>3,240</u>	<u>2,695</u>
	<u>265,116</u>	<u>265,116</u>	<u>227,551</u>
NET MUNICIPAL TAXES	\$ <u>893,499</u>	\$ <u>893,300</u>	\$ <u>867,227</u>

TOWN OF BASHAW

SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
TRANSFERS FOR OPERATING			
Provincial government	\$ 202,712	\$ 183,802	\$ 222,609
Local government	<u>74,346</u>	<u>83,328</u>	<u>123,916</u>
	<u>277,058</u>	<u>267,130</u>	<u>346,525</u>
TRANSFERS FOR CAPITAL			
Federal government	20,000	22,540	32,240
Provincial government	<u>35,000</u>	<u>50,802</u>	<u>23,000</u>
	<u>55,000</u>	<u>73,342</u>	<u>55,240</u>
TOTAL GOVERNMENT TRANSFERS	\$ <u>332,058</u>	\$ <u>340,472</u>	\$ <u>401,765</u>

SCHEDULE 5 –EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget (Unaudited)	2025	2024
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 707,395	\$ 719,266	\$ 691,574
Contracted and general services	688,311	747,754	860,746
Materials, goods, supplies and utilities	712,386	694,783	713,259
Transfers to individuals, organizations and boards	61,688	61,618	89,699
Bank charges and interest	600	752	575
Loss on disposal of tangible capital assets	-	-	17,644
Amortization of tangible capital assets (Note 21)	-	440,079	454,067
Accretion expense (Note 11)	-	20,784	19,746
Other expenditures	<u>7,561</u>	<u>7,246</u>	<u>9,294</u>
	<u>\$ 2,177,941</u>	<u>\$ 2,692,282</u>	<u>\$ 2,856,604</u>

TOWN OF BASHAW

SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protective Services	Transportation Services	Environmental use & Protection	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal taxes	\$ 893,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 893,300
Government transfers	18,169	52,506	22,871	-	39,430	72,520	61,634	267,130
Sales of goods and user fees	3,302	58,567	-	720,123	5,645	2	57,393	845,032
Investment income	48,868	-	-	-	-	-	-	48,868
Penalties and costs on taxes	38,717	-	-	-	-	-	-	38,717
Franchise agreement	64,360	-	-	-	-	-	-	64,360
Rentals	21,344	-	2,161	-	-	8,342	-	31,847
Other revenues	<u>8,631</u>	<u>22,514</u>	<u>2,060</u>	<u>22,900</u>	<u>-</u>	<u>1,752</u>	<u>5,716</u>	<u>63,573</u>
	<u>1,096,691</u>	<u>133,587</u>	<u>27,092</u>	<u>743,023</u>	<u>45,075</u>	<u>82,616</u>	<u>124,743</u>	<u>2,252,827</u>
EXPENSES								
Salaries, wages and benefits	278,787	55,315	186,078	77,027	1,965	-	120,094	719,266
Contracted and general services	171,740	88,820	38,974	239,339	10,327	63,774	134,780	747,754
Materials, goods, supplies and utilities	8,163	28,900	165,240	394,381	-	3,818	94,281	694,783
Transfers - individuals, organizations, boards	7,341	-	-	4,884	32,074	-	17,319	61,618
Other expenditures	<u>7,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>-</u>	<u>-</u>	<u>7,998</u>
	<u>473,774</u>	<u>173,035</u>	<u>390,292</u>	<u>715,631</u>	<u>44,621</u>	<u>67,592</u>	<u>366,474</u>	<u>2,231,419</u>
NET REVENUE - BEFORE AMORTIZATION AND ACCRETION	622,917	(39,448)	(363,200)	27,392	454	15,024	(241,731)	21,408
Capital government transfers	-	-	50,802	22,540	-	-	-	73,342
Amortization of tangible capital assets	(11,977)	(1,807)	(191,691)	(134,546)	-	(935)	(99,123)	(440,079)
Gain (loss) on disposal of tangible capital assets	-	-	-	3,434	-	-	(852)	2,582
Accretion of asset retirement obligations	<u>(5,115)</u>	<u>(845)</u>	<u>(533)</u>	<u>(965)</u>	<u>-</u>	<u>(703)</u>	<u>(12,623)</u>	<u>(20,784)</u>
NET REVENUE	<u>605,825</u>	<u>(42,100)</u>	<u>(504,622)</u>	<u>(82,145)</u>	<u>454</u>	<u>13,386</u>	<u>(354,329)</u>	<u>\$ (363,531)</u>
2024 NET REVENUE	<u>\$ 643,897</u>	<u>\$ (67,065)</u>	<u>\$ (609,410)</u>	<u>\$ (164,467)</u>	<u>\$ 16,318</u>	<u>\$ 10,654</u>	<u>\$ (314,870)</u>	<u>\$ (484,943)</u>

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management prepared in accordance with generally accepted accounting principles for local government established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted 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 which comprises all the organizations that are owned or controlled by the town and are, therefore, accountable to the council for the administration of their financial affairs and resources.

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

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 recognizes 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 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 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.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Use of Estimates - Continued

The value of long-term investments is subject to measurement uncertainty. To estimate the amount of allowance for impairment, the cost of the investment was compared to the amount reasonably possible to be received upon disposal.

An area requiring the use of management's estimates was the reclamation liability. The liability is in relation to costs associated with reclaiming a gravel pit. The amount of the liability was determined by estimating the cost to the town of hiring third party contractors to perform the reclamation. Any changes in assumptions or value of services could result in the understatement of the liability.

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

(d) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town 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.

(e) 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.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(f) 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.

(g) 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 revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

(h) Pension Expenditure

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

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

(i) Taxes and Grants in Place of Taxes Receivables

Current and arrears taxes and grants in place of taxes receivables consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

(j) Investments

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

(k) Land for Resale

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

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(l) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term, highly liquid investments.

(m) Allowances for Operating Assets

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.

(n) Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual 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.

(o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

The town initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The town subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for cash which is measured at fair value.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The town's financial instruments consist of cash and short term investments, receivables, long-term investments, accounts payable and accrued liabilities. It is management's opinion that the town is not exposed to significant interest or currency risks arising from these financial statements. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(p) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized as an estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. 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.

The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the town reviews the carrying amount of the liability. The town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(q) 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 (Debt) for the year.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(q) Non-Financial Assets - Continued

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development, improvement, betterment or retirement 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	
Roadway system	20-30
Water system	45-75
Wastewater system	45-75
Other engineered structures	75
Machinery and equipment	5-40
Vehicles	10-25

The annual amortization charge in the year of acquisition and in the year of disposal is pro-rated based on the number of days that the asset was owned during the year. Included in engineered structures is the amount of \$50,802 (2024 - \$NIL) which is not being amortized.

(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) Inventories

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

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

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

The Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgement is applied. Effective for the fiscal years beginning on or after April 1, 2026.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED - Continued

(b) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

(c) Section PS3150 – Tangible Capital Assets

This section establishes guidance on the recognition and measurement for tangible capital assets. Effective for the fiscal years beginning on or after April 1, 2030.

3. CASH AND SHORT TERM INVESTMENTS

	2025	2024
Cash, interest at prime less 2.00%	\$ 1,584,109	\$ 1,063,775
Short term investments, interest at 2.45%, maturing January 2026	<u>534,550</u>	<u>546,561</u>
	<u>\$ 2,118,659</u>	<u>\$ 1,610,336</u>

Short term investments are valued at cost and consist of guaranteed investment certificates.

Council has designated funds of \$543,550 (2024 - \$604,550) included in the above amounts for restricted surplus.

Included in the above are the restricted amounts of \$536,724 (2024 - \$51,154) of deferred grant funding and \$33,226 (2024 - \$33,226) of tax recovery funds.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2025	2024
Current taxes and grants in place of taxes	\$ 131,690	\$ 129,991
Arrears taxes and grants in place of taxes	<u>18,211</u>	<u>50,513</u>
	<u>\$ 149,901</u>	<u>\$ 180,504</u>

An allowance for doubtful accounts in the amount of \$2,627 (2024 - \$3,755) has been recorded and offset against the current and arrears taxes receivable balances at December 31st.

5. TRADE AND OTHER RECEIVABLES

	2025	2024
Canada Community-Building fund	\$ 200,907	\$ 99,402
GST	21,186	15,219
Local Government Fiscal Framework – capital	-	287,914
Other	28,719	40,441
Receivable from other government	61,865	58,070
Utilities	<u>78,213</u>	<u>81,234</u>
	<u>\$ 390,890</u>	<u>\$ 582,280</u>

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

6. LONG-TERM INVESTMENTS

	2025	2024
Highway 12/21 Regional Water Services Commission	\$ <u>373,995</u>	\$ <u>373,995</u>

The town is a member of the Highway 12/21 Regional Water Services Commission. The investment represents the cost of their investment in the commission.

7. TRUST FUNDS

A summary of trust fund activities by the town is as follows:

	2025	2024
Tax sale surplus		
Balance – beginning of year	\$ 33,226	\$ 20,915
Tax recovery sale – net	<u>-</u>	<u>12,311</u>
Balance – end of year	\$ <u>33,226</u>	\$ <u>33,226</u>

8. DEFERRED REVENUE

	2025	2024
Canada Community - Building Fund	\$ 172,611	\$ 93,645
Local Government Fiscal Framework – capital	517,986	264,914
MFR grant	9,689	1,713
SCOP grant	9,049	48,479
FCC AgriSpirit grant	-	963
Other	<u>4,766</u>	<u>5,388</u>
	\$ <u>714,101</u>	\$ <u>415,102</u>

9. DUE TO HIGHWAY 12/21 REGIONAL WATER SERVICES COMMISSION

	2025	2024
Payable to Highway 12/21 Regional Water Services Commission, due \$7,189 semi-annually including interest at 5.24%, maturing Dec. 2033	\$ 92,977	\$ 102,122
Payable to Highway 12/21 Regional Water Services Commission, due \$1,387 semi-annually including interest at 4.59% maturing Dec 2034	20,268	22,050
Payable to Highway 12/21 Regional Water Services Commission, due \$1,326 semi-annually including interest at 2.94%, maturing June 2040	31,107	32,805
Payable to Highway 12/21 Regional Water Services Commission, due \$2,528 semi-annually including interest at 3.132%, maturing March 2044	<u>70,597</u>	<u>73,377</u>
	\$ <u>214,949</u>	\$ <u>230,354</u>

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. DUE TO HIGHWAY 12/21 REGIONAL WATER SERVICES COMMISSION - Continued

Principal and interest repayments are as follows:

	Principal	Interest	Total
2026	\$ 16,111	\$ 8,748	\$ 24,859
2027	16,852	8,007	24,859
2028	17,627	7,232	24,859
2029	18,440	6,419	24,859
2030	19,293	5,566	24,859
Thereafter	<u>126,626</u>	<u>21,035</u>	<u>147,661</u>
	<u>\$ 214,949</u>	<u>\$ 57,007</u>	<u>\$ 271,956</u>

10. RECLAMATION LIABILITY

The town has an obligation to reclaim a gravel pit. The amount recorded is an estimate made by management of the costs associated with reclamation.

11. ASSET RETIREMENT OBLIGATION

The town owns buildings which contain asbestos and, therefore, the town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost of \$1,619,562 between the years 2030 and 2059. The estimated total liability of \$497,382 (2024 - \$413,493) is based on the sum of discounted future cash flows for abatement activities using discount rates ranging from 3.12% to 4.56% (2024 - 4.60% to 5.09%) and assuming annual inflation of 3%. The town has not designated assets for settling the abatement activities.

	2025	2024
Balance, beginning of year	\$ 413,493	\$ 387,254
Change in estimated cash flows	63,105	6,493
Accretion expense	<u>20,784</u>	<u>19,746</u>
	<u>\$ 497,382</u>	<u>\$ 413,493</u>

12. ACCUMULATED SURPLUS

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

	2025	2024
Unrestricted surplus (deficit)	\$ 1,475,388	\$ 1,512,075
Restricted surplus (Note 13)	543,550	604,550
Equity in tangible capital assets (Note 14)	<u>9,870,287</u>	<u>10,136,131</u>
	<u>\$ 11,889,225</u>	<u>\$ 12,252,756</u>

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

13. RESTRICTED SURPLUS

	2024	Increases	Decreases	2025
Restricted for Operating:				
Administration	\$ 22,278	\$ -	\$ -	\$ 22,278
Cemetery	22,102	-	-	22,102
Culture	3,644	-	-	3,644
Fire	33,256	9,000	20,000	22,256
Parks	26,976	-	-	26,976
Roads and streets	17,290	-	-	17,290
Water	23,797	-	-	23,797
Waste water	15,645	-	-	15,645
	<u>164,988</u>	<u>9,000</u>	<u>20,000</u>	<u>153,988</u>
Restricted for Capital:				
Administration	35,802	-	-	35,802
Airport	5,706	-	-	5,706
Cemetery	10,544	-	-	10,544
Culture	31,738	-	-	31,738
Emergency services	4,684	-	-	4,684
Parks	30,795	-	-	30,795
Recreation	3,295	-	-	3,295
Roads, streets and equipment	54,224	-	50,000	4,224
Subdivision, land and development	45,102	-	-	45,102
Tourism	3,659	-	-	3,659
Water infrastructure	111,692	-	-	111,692
Wastewater infrastructure	102,321	-	-	102,321
	<u>439,562</u>	<u>-</u>	<u>50,000</u>	<u>389,562</u>
 Total	 \$ <u>604,550</u>	 \$ <u>9,000</u>	 \$ <u>70,000</u>	 \$ <u>543,550</u>

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Cost of tangible capital assets (Schedule 2)	\$ 21,555,539	\$ 21,304,662
Accumulated amortization (Schedule 2)	(11,187,870)	(10,755,038)
Asset retirement obligation (Note 11)	<u>(497,382)</u>	<u>(413,493)</u>
	<u>\$ 9,870,287</u>	<u>\$ 10,136,131</u>

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

15. SALARY & 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:

	2025			2024
	Salary(1)	Benefits Allowances(2)	Total	Total
Rob McDonald, Mayor	\$ 4,513	\$ 1,056	\$ 5,569	\$ 5,815
Cindy Orom, Mayor	4,513	350	4,863	4,315
Kyle McIntosh, Deputy Mayor	4,200	332	4,532	4,315
Bryan Gust, Councillor	3,325	188	3,513	4,315
Jackie Northey, Councillor	3,325	188	3,513	4,315
Ambyr Kohlman, Councillor	875	54	929	-
Reina Masyk, Councillor	875	54	929	-
Carmen Meger, Councillor	875	54	929	-
Theresa Fuller, CAO	105,638	25,143	130,781	127,634
Designated Officers (1 position)	\$ 14,750	\$ -	\$ 14,750	\$ 13,547

(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.

16. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Bashaw participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 316,938 people and about 453 employers. It 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 Town of Bashaw is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.65% for the excess. Employees of the Town of Bashaw 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 and past service contributions by the Town of Bashaw to the Local Authorities Pension Plan in 2025 were \$35,630 (2024 - \$34,326). Total current and past service contributions by the employees of the Town of Bashaw to the Local Authorities Pension Plan in 2025 were \$31,600 (2024 - \$30,477).

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

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the municipality be disclosed as follows:

	2025	2024
Total debt limit	\$ 3,383,114	\$ 3,474,632
Total debt	<u>-</u>	<u>-</u>
Total debt limit available	<u>3,383,114</u>	<u>3,474,632</u>
Debt service limit	563,852	579,105
Debt service	<u>-</u>	<u>-</u>
Debt service limit available	<u>\$ 563,852</u>	<u>\$ 579,105</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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principal and interest payments due on long-term debt in the 12 months subsequent to year-end, less amounts that are recoverable. Debt due to Highway 12/21 Regional Water Services Commission and related debt servicing costs are excluded from the total as the entire debenture is included in the commission's debt servicing limit.

18. FINANCIAL INSTRUMENTS

The town is exposed to various risks through its financial instruments. The following analysis provides a measure of the town's risk exposure and concentrations at the balance sheet date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the town is not exposed to significant currency or other price risk, which is consistent with the prior year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. The carrying value of accounts receivable reflects management's assessment of credit risk.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

18. FINANCIAL INSTRUMENTS - Continued

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The town has fixed rate investments and long-term debt which are subject to fair value risk, as the value will fluctuate as a result of changes in market rates.

Operating Lines of Credit

At December 31, 2025 the town had short-term credit card lines of credit aggregating \$15,000 (2024 - \$10,000) of which \$3,819 (2024 - \$NIL) had been drawn down. The credit cards bear interest at 16.99%.

Liquidity Risk

Liquidity risk is the risk that the town will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The town has sufficient cash available from its operations to meet its obligations. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from the prior year.

19. COMMITMENTS

The town is a member of the Highway 12/21 Regional Water Services Commission which is a related party. The town has entered into a 25 year agreement to receive water, expiring September 2042. The town purchased water from the commission during the year in the amount of \$361,803 (2024 - \$314,511). Included in accounts payable is \$29,901 (2024 - \$32,390) due to the commission.

Amounts are recorded at exchange amount which is the amount agreed to by the parties.

The town is a member of a waste management authority. As such, they could be subject to additional requisitions for future site and post-closure care obligations of the landfill. The town is a party to a waste disposal agreement with Camrose County, which expires December 2027. The town has agreed to pay \$20 per tonne.

The town is party to a shared fire protection services funding agreement with three other municipalities. Under the agreement they are responsible for their share of the costs of fire protection.

The town has an agreement in place, effective July 1, 2024, for guaranteed professional maintenance for the Bashaw Arena and Curling Rink. The town has agreed to pay \$25,892 per year (\$2,158 per month) and the agreement shall continue in effect from year to year unless either party gives written notice of intention not to renew at least 30 days prior to anniversary date.

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

19. COMMITMENTS - Continued

Effective June 1, 2025, the town entered into an agreement for use of municipal accounting software and related support. The town has agreed to pay \$1,425 per month for 48 months. The agreement can be cancelled by the town with 14 days notice, or the licensee with 90 days notice.

20. CONTINGENCIES

The Town of Bashaw is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Bashaw 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 town is a defendant in a lawsuit for \$4,200,000 plus interest, costs and other damages. To the date of the Independent Auditors' Report this action has yet to be settled and the outcome is not determinable. No provision for any loss has been recorded in the financial statements. A reliable estimate of any loss cannot be made at the time. The amount of any future settlement would be accounted for as a current transaction in the year of settlement.

The town is a member of the Highway 12/21 Regional Water Services Commission. The commission is a defendant in a lawsuit, the outcome is uncertain and any future impact on the town is unknown.

21. AMORTIZATION

Amortization is a non-cash expense and is allocated to the different functions as follows:

	2025	2024
Administration	\$ 11,977	\$ 14,485
Fire, ambulance and bylaws enforcement	1,807	4,017
Roads, streets, walk, lighting	191,691	198,359
Water and wastewater	134,546	137,457
Recreation and parks	27,086	26,778
Culture	72,037	72,037
Other	935	934
	<u>\$ 440,079</u>	<u>\$ 454,067</u>

TOWN OF BASHAW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

22. SEGMENTED DISCLOSURE

The Town of Bashaw 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.

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

Refer to the Schedule 6 – Segmented Disclosure.

23. COMPARATIVE FIGURES

Certain 2024 comparative figures have been reclassified in order to conform with the financial statement presentation adopted for 2025.

24. BUDGET AMOUNTS

Budget figures for the year ended December 31, 2025 are for information purposes only and have not been audited.

25. APPROVAL OF FINANCIAL STATEMENTS

Council and Management approved these financial statements.



**REGULAR MEETING OF COUNCIL
MINUTES
April 15, 2026, 6:00 pm
Council Chambers & Zoom Access**

In Person: CAO Fuller (5:30pm), Deputy Mayor McIntosh (5:47pm), Mayor Orom (5:53pm), Councillor Masyk (5:30pm), Councillor Kohlman (6:09pm), Councillor Meger (5:30pm), Corporal Grant Glasier (5:52 pm) Foreman Lindy Black (5:50 pm)

Council by Zoom: none.

Absent with notice: none, Councillor Kohlman reported she would be late.

Recording Secretary: CAO Fuller

Public: none

Public Zoom: Yvonne King

Press by zoom: Kevin Sabo (6:00pm), Stu Salkeld (6:00 pm)

1. CALL TO ORDER by Mayor Orom (6:00pm)
2. ADOPTION OF AGENDA

MOVED by Councillor Meger to approve the April 15, 2026, Regular Meeting of Council agenda.

MOTION #064-2026

CARRIED

3. PUBLIC HEARINGS – None
4. DELEGATIONS
4.1 RCMP – Corporal Grant Glasier

Corporal Grant Glasier shared his presentation with council and discussed the statistics. He shared information about the Capture program, where residents can register cameras on their property.

Corporal Glasier left the meeting at 6:12 pm.

5. APPROVAL OF MINUTES
5.1 Minutes of the April 1, 2026, Regular Meeting of Council

MOVED by Deputy Mayor McIntosh to approve the minutes from the April 1, 2026, Regular Meeting of Council.

MOTION #065-2026

CARRIED

6. CONSENT AGENDA
 - 6.1 Council Committee Report
 - 6.2 CAO Report
 - 6.3 Public Works Report
 - 6.4 Central Alberta Realtors Association – Discuss Housing issues
 - 6.5 Village of Clive – Parade Invitation – June 20, 2026
 - 6.6 Alberta Municipal Affairs – Assessment Model Review
 - 6.7 Alberta Municipal Affairs – Bill 28
 - 6.8 Mirror – Parade Invitation – May 16, 2026
 - 6.9 February & March Town of Bashaw Monthly Statements 2026

Mayor Orom requested to review the Public Works Report as 7.05 in the New & Unfinished business section of the agenda.

7. NEW & UNFINISHED BUSINESS

7.05 Public Works Report

Foreman Black shared the report with council and answered their questions.

7.1 Capital Purchase Request – 2016 – John Deere 1025R

MOVED by Councillor Meger to purchase a 2016 John Deere 1025R with attachments for \$40,000.00, from Brandt, with funding from the Restricted for Capital; Roads, Streets and equipment reserve.

MOTION #066-2026 CARRIED

7.2 Amendment to Master Rates & Schedules - Bylaw 839-2026 Water Base Charge adjustment

MOVED by Deputy Mayor McIntosh to approve first reading of Bylaw 839-2026 Amendment to Master Rates & Schedules – Water Base Charge adjustment at the April 15, 2026, regular meeting of Bashaw Town Council.

MOTION #067-2026 CARRIED

MOVED by Deputy Mayor McIntosh to approve second reading of Bylaw 839-2026 Amendment to Master Rates & Schedules – Water Base Charge adjustment.

MOTION #068-2026 CARRIED

MOVED by Deputy Mayor McIntosh to approve unanimous consent to proceed with third reading of Bylaw 839-2026 Amendment to Master Rates & Schedules – Water Base Charge adjustment.

MOTION #069-2026 CARRIED UNANIMOUSLY

MOVED by Deputy Mayor McIntosh to approve third and final reading of Bylaw 839-2026 Amendment to Master Rates & Schedules – Water Base Charge adjustment.

MOTION #070-2026 CARRIED

7.3 Motor Vehicle Collision Funds – Payment From Camrose County – Reserve Request

MOVED by Councillor Kohlman to move \$45,198.49 (from historic MVC calls) into the Restricted for Capital; Emergence services fund for the town of Bashaw, at the April 15, 2026, regular meeting of Council.

MOTION #071-2026 CARRIED

7.4 Sewer Fee Discussion

MOVED by Deputy Mayor McIntosh to direct administration to provide the numbers of residents at the sewer base threshold, number of locations at the \$105.00 maximum charge, check when the fee was last changed, and generate some recommendations for changes to the fees.

MOTION #072-2026 CARRIED

7.5 2026 Operating Budget

MOVED by Councillor Kohlman to table the 2026 Operating Budget until after the Financial Audit presentation.

MOTION #073-2026 CARRIED

7.6 Monday Closure Pilot Project review

MOVED by Councillor Kohlman to approve the Town of Bashaw, Administration office being closed to the public on Monday, however administration staff to continue with their duties during the office closure. Administration staff monitor messages throughout the day.

MOTION #074-2026 CARRIED

7.7 2026 Local Government Fiscal Framework Operating Grant

MOVED by Deputy Mayor McIntosh to approve the 2026 Local Government Fiscal Framework Operating grant listing as follows, General Administration \$20,087.50, Libraries \$17,471.52, Children & Family Services \$16,500.00, Municipal Buildings & Facilities \$8,134.48, Parks, Sport & recreation \$39,900.00, Public Security & Safety \$11,096.50, and Public Transit \$5,000.00 for a total of \$118,190.00.

MOTION #075-2026 CARRIED

8. CELEBRATORY CORRESPONDENCE FROM COUNCIL-none

MOVED by Deputy Mayor McIntosh to move into closed meeting of Council to discuss; 9.1 Legal – Airport Hangar Leases – ATIA Section 32 and 9.2 Legal – Office Leases – ATIA Section 32 at 7:41 pm.

MOTION #076-2026 CARRIED

9. CLOSED MEETING OF COUNCIL

9.1 Legal – Airport Hangar Leases – ATIA Section 32

9.2 Legal – Office Leases – ATIA Section 32

MOVED by Deputy Mayor McIntosh to move out of closed meeting of Council at 8:29 pm.

MOTION #077-2026 CARRIED

MOVED by Deputy Mayor McIntosh to direct administration to seek legal advice regarding airport hangar leases.
MOTION #078-2026 CARRIED

10. NOTICES OF MOTION – none

8. NEXT MEETING – Additional Meeting for Audit Presentation – Prior to end of April
May 6 & 20, 2026 – 6:00 pm

MOVED by Deputy Mayor McIntosh to approve an additional meeting for Wednesday, April 29, 2026, 6:30 pm for the audit presentation.
MOTION #079-2026 CARRIED

11. ADJOURNMENT – Deputy Mayor McIntosh adjourned the meeting at 8:36 pm.

MAYOR, Cindy Orom

CHIEF ADMINISTRATIVE OFFICER, Theresa Fuller

BASHAW GOLF & COUNTRY CLUB
Financial Statements
Year Ended October 31, 2025

BASHAW GOLF & COUNTRY CLUB
Index to Financial Statements
Year Ended October 31, 2025

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Kitchen and Bar Operations (<i>Schedule 1</i>)	11
Pro Shop Income Statement (<i>Schedule 2</i>)	12



**Rowland, Parker
& Associates LLP**

CHARTERED PROFESSIONAL
ACCOUNTANTS

P.O. Box 4008 Ponoka, Alberta T4J 1R5

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Bashaw Golf & Country Club

We have reviewed the accompanying financial statements of Bashaw Golf & Country Club (the organization) that comprise the statement of financial position as at October 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Bashaw Golf & Country Club as at October 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Ponoka, Alberta
March 30, 2026

Rowland Parker & Associates LLP
ROWLAND, PARKER & ASSOCIATES LLP
Chartered Professional Accountants

BASHAW GOLF & COUNTRY CLUB
Statement of Financial Position
October 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash and short term investments <i>(Note 3)</i>	\$ 403,930	\$ 340,606
Accounts receivable	-	1,724
Inventory <i>(Note 4)</i>	21,888	21,022
Prepaid expenses	5,811	4,924
	431,629	368,276
CAPITAL ASSETS <i>(Note 5)</i>	582,864	608,605
LONG TERM INVESTMENTS	1,711	1,711
	\$ 1,016,204	\$ 978,592
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 15,332	\$ 10,238
Goods and services tax payable	3,264	2,351
	18,596	12,589
DEFERRED REVENUE <i>(Note 6)</i>	10,272	30,890
DEFERRED CONTRIBUTIONS <i>(Note 7)</i>	127,374	135,738
	156,242	179,217
NET ASSETS		
Unrestricted net assets	404,470	326,506
Investment in capital assets	455,492	472,869
	859,962	799,375
	\$ 1,016,204	\$ 978,592

See notes to financial statements

BASHAW GOLF & COUNTRY CLUB
Statement of Revenues and Expenditures
Year Ended October 31, 2025

	2025	2024
REVENUES		
Campground fees <i>(Note 8)</i>	\$ 179,707	\$ 176,841
Kitchen and bar sales	124,382	121,571
Memberships	85,748	78,546
Green fees	73,890	64,299
Equipment rentals	43,896	37,276
Other income	27,220	25,599
Tournament fees	23,749	21,089
Trail fees	13,388	13,043
Amortization of deferred contributions <i>(Note 7)</i>	8,364	8,364
Pro shop sales	5,096	6,017
Fundraisers	2,703	2,260
	<u>588,143</u>	<u>554,905</u>
EXPENSES		
Wages and benefits	254,323	240,753
Kitchen and bar supplies	70,934	67,412
Equipment lease, maintenance and fuel	37,604	29,629
Utilities	34,469	32,767
Amortization	25,741	29,834
Clubhouse maintenance	22,581	21,266
Property taxes	21,059	20,642
Course maintenance	20,212	26,166
Interest and bank charges	11,597	8,752
Professional fees	11,414	10,781
Waste removal	9,114	8,955
Office	6,080	5,465
Insurance	5,977	5,681
Pro shop retail purchases	5,723	1,554
Campground maintenance	4,875	3,066
Telephone	4,252	3,802
Business taxes, licenses and memberships	3,087	1,575
Advertising and promotion	1,601	3,771
Bad debts	231	-
Volunteer meals	-	712
Fundraising	-	1,734
	<u>550,874</u>	<u>524,317</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>37,269</u>	<u>30,588</u>
OTHER INCOME		
Casino revenue	20,618	1,562
Gain on disposal of assets	2,700	-
	<u>23,318</u>	<u>1,562</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 60,587</u>	<u>\$ 32,150</u>

See notes to financial statements

BASHAW GOLF & COUNTRY CLUB
Statement of Changes in Net Assets
Year Ended October 31, 2025

	General Fund	Investment in Capital Assets	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 326,506	\$ 472,869	\$ 799,375	\$ 767,225
EXCESS OF REVENUES OVER EXPENSES	77,964	(17,377)	60,587	32,150
NET ASSETS - END OF YEAR	\$ 404,470	\$ 455,492	\$ 859,962	\$ 799,375

See notes to financial statements

BASHAW GOLF & COUNTRY CLUB
Statement of Cash Flows
Year Ended October 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 60,587	\$ 32,150
Items not affecting cash:		
Amortization of capital assets	25,741	29,834
Gain on disposal of capital assets	(2,700)	-
	<u>83,628</u>	<u>61,984</u>
Changes in non-cash working capital:		
Accounts receivable	1,724	(382)
Inventory	(866)	(2,224)
Accounts payable	5,094	(817)
Prepaid expenses	(887)	(592)
Goods and services tax payable	913	(137)
Deferred contributions	(8,364)	(8,364)
Deferred revenue	(20,618)	27,647
	<u>(23,004)</u>	<u>15,131</u>
Cash flow from operating activities	<u>60,624</u>	<u>77,115</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(25,720)
Proceeds on disposal of capital assets	2,700	-
Cash flow from (used by) investing activities	<u>2,700</u>	<u>(25,720)</u>
INCREASE IN CASH FLOW	63,324	51,395
Cash - beginning of year	<u>340,606</u>	<u>289,211</u>
CASH - END OF YEAR	\$ 403,930	\$ 340,606
CASH CONSISTS OF:		
Cash and short term investments	<u>\$ 403,930</u>	<u>\$ 340,606</u>

See notes to financial statements

BASHAW GOLF & COUNTRY CLUB

Notes to Financial Statements

Year Ended October 31, 2025

Bashaw Golf & Country Club operates golfing facilities which operates golfing facilities within the Town of Bashaw. The Club is incorporated under the Societies Act of Alberta and as a not-for-profit organization is exempt from income tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The organization accounts for the following as financial instruments:

- Cash
- Investments
- Receivables
- Payables and accruals

Initial Measurement

The organization initially measures its financial assets and financial liabilities obtained in arm's length transactions at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the organization is in the capacity of management or Board oversight in which case they are accounted for in accordance with financial instruments.

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows of the instrument (excluding interest and dividend payments) less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, the cost of the instrument is initially measured at the exchange or carrying amount of the consideration transferred.

Gains or losses arising on initial measurement differences are generally recognized in net excess of revenues over expenses when the transaction is in the normal course of operations, and in net assets when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement

The organization subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets and financial liabilities measured at amortized cost include cash, receivables, payables and accruals, and long-term debt.

(continues)

BASHAW GOLF & COUNTRY CLUB

Notes to Financial Statements

Year Ended October 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the organization has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Derecognition

The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net excess of revenues over expenses.

Cash and cash equivalents

Cash and cash equivalents include cash in banks, term deposits that are redeemable or if non-redeemable have maturities of less than ninety days from the balance sheet date.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

Buildings	40 years
Campground power	40 years
Equipment	4.5 years
Water and sewer system	10 years
Landscaping	10 years
Computer software	4 years
Computer equipment	4 years

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants received for the purpose of upgrading or purchasing capital assets are recognized on the deferral method of accounting.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

The organization assesses its long-lived assets for impairment. Impairments are recorded in the year the impairment is recognized. Under ASNFPO, impairment write downs are not reversed in subsequent periods.

Revenue recognition

Bashaw Golf & Country Club follows the deferral method of accounting for contributions.

(continues)

BASHAW GOLF & COUNTRY CLUB

Notes to Financial Statements

Year Ended October 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable and are included into income each year on the same basis as the related assets are depreciated. Amounts that relate to operating expenditures of a future period are deferred until the related expenditures are incurred.

Membership revenues recognized as revenue in the golf season for which the fee was rendered.

Green fees and cart rentals are recognized when earned, the amount of revenue is estimated and collection is reasonably assured.

Campground fee revenue recognized as revenue for the season for which the fee was rendered.

Product, food and beverage sales are recognized at the time of the provision or the product.

Donated services

A substantial number of unpaid volunteers make significant contributions of their time in maintaining and operating the golf course. The value of this time is not reflected in the financial statements since the objective measurement or valuation is indeterminable.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

These estimates are reviewed periodically, and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include

- The allowance for doubtful accounts;
- Amortization of capital assets;
- The estimates useful lives of assets.

2. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of October 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from members. The organization has a significant number of members and customers which minimizes concentration of credit risk. Accounts are written-off as they are deemed doubtful based upon factors surrounding the credit risk of specific accounts, historical trends and other information. There are also minimal customers that are extended credit, the majority of customers are not offered credit terms. There was no significant change in exposure from the prior year.

Market risk

(continues)

BASHAW GOLF & COUNTRY CLUB

Notes to Financial Statements

Year Ended October 31, 2025

2. FINANCIAL INSTRUMENTS *(continued)*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk. There has been no significant change in exposure from the prior period.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

3. CASH AND CASH EQUIVALENTS

Included in cash of the organization are externally restricted funds in the amount of \$10,272 (2024 - \$30,890). The funds originated from the organization's gaming activities and use of the net gaming proceeds are restricted by the license agreements with Alberta Gaming, Liquor & Commission and are required to be segregated in a separate bank account.

4. INVENTORY

	<u>2025</u>	<u>2024</u>
<u>Inventory</u>		
Inventory for Pro Shop	\$ 10,768	\$ 14,222
Food Supplies	6,045	4,201
Fertilizer Supply	2,575	2,600
Sand & Course Maintenance Supplies	2,500	-
	<u>\$ 21,888</u>	<u>\$ 21,023</u>

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land and fairways	\$ 84,566	\$ -	\$ 84,566	\$ 84,566
Greens	96,938	-	96,938	96,938
Campground	13,092	-	13,092	13,092
Buildings	435,956	221,150	214,806	225,705
Campground power	261,640	98,377	163,263	169,804
Equipment	617,741	612,099	5,642	12,422
Water and sewer system	153,953	152,308	1,645	3,166
Landscaping	20,814	17,902	2,912	2,912
Computer software	12,356	12,356	-	-
Computer equipment	3,438	3,438	-	-
	<u>\$ 1,700,494</u>	<u>\$ 1,117,630</u>	<u>\$ 582,864</u>	<u>\$ 608,605</u>

6. DEFERRED REVENUE

Balance Beginning of Year	Add Deferred Revenue	Less Recognized as Revenue	Balance End of Year
---------------------------------	-------------------------	----------------------------------	------------------------

(continues)

BASHAW GOLF & COUNTRY CLUB
Notes to Financial Statements
Year Ended October 31, 2025

6. DEFERRED REVENUE *(continued)*

	Balance Beginning of Year	Add Deferred Revenue	Less Recognized as Revenue	Balance End of Year
Gaming funds	\$ 30,890	\$ -	\$ 20,618	\$ 10,272

The gaming funds originated from the organization's casino and golf tournament activities and usage of the funds are restricted by the licence agreements with the Alberta Gaming, Liquor & Cannabis Commission.

7. DEFERRED CONTRIBUTIONS

The changes in the deferred contributions balance for the period are as follows:

	Balance Beginning of Year	Add Contributions	Less Recognized as Revenue	Balance End of Year
Clubhouse renovations	\$ 95,182	\$ -	\$ 4,533	\$ 90,649
2015 power upgrades	20,571	-	686	19,885
Campground power 1999	14,147	-	1,010	13,137
ICFEP grant	5,238	-	2,095	3,143
Campground power 2000	600	-	40	560
	\$ 135,738	\$ -	\$ 8,364	\$ 127,374

Deferred contributions related to capital assets represent restricted contributions from the Government of Alberta for the purchase and installation of an irrigation system, course beautification and installation of power on the campground and from individuals for the development of power on the campground, the construction of the new Clubhouse and upgrading buildings and facility services.

8. CAMPGROUND FEES

	2025	2024
Annual	\$ 161,755	\$ 160,736
Daily	17,952	16,105
	\$ 179,707	\$ 176,841

BASHAW GOLF & COUNTRY CLUB

**Kitchen and Bar Operations
(Schedule 1)**

Year Ended October 31, 2025

	2025	2024
REVENUE		
Kitchen and bar sales	\$ 124,382	\$ 121,571
COST OF SALES		
Kitchen and bar supplies	<u>70,934</u>	<u>67,412</u>
GROSS PROFIT (43%; 2024 - 45%)	53,448	54,159
EXPENSES		
Wages and benefits	<u>40,858</u>	<u>41,536</u>
INCOME FROM OPERATIONS	<u>\$ 12,590</u>	<u>\$ 12,623</u>

BASHAW GOLF & COUNTRY CLUB

**Pro Shop Income Statement
(Schedule 2)**

Year Ended October 31, 2025

	2025	2024
REVENUE		
Pro shop sales	\$ 5,096	\$ 6,017
COST OF SALES		
Pro shop retail purchases	5,723	1,554
GROSS PROFIT ((12)%; 2024 - 74%)	\$ (627)	\$ 4,463