

**TOWN OF CALMAR  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**TOWN OF CALMAR  
INDEX TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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To the Mayor and Council of the Town of Calmar

The accompanying consolidated financial statements of the Town of Calmar are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In fulfilling its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of individuals who are neither management nor employees of the Town. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated 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 the appointment of the Town's external auditors.

JAM Accounting Group LLP is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.



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Chief Administrative Officer



# ST. ARNAUD PINSENT STEMAN

CHARTERED PROFESSIONAL ACCOUNTANTS  
AN ASSOCIATION TO PRACTISE CHARTERED PROFESSIONAL ACCOUNTANCY

Daniel J. St. Arnaud, CPA, CA ▪  
John H.C. Pinsent, FCPA, FCA, ICD.D ▪  
Bernardus C. Steman, CPA, CA, CFA ▪  
JAM Accounting Group LLP ◻

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the Town of Calmar

### *Opinion*

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

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

### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town'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 town or 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.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

▪ Operating as a Professional Corporation ◻ Operating as a Limited Liability Partnership

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Independent Auditor's Report to the Mayor and Councillors of the Town of Calmar (*continued*)

- 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 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 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 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.

*Report on Other Legal and Regulatory Requirements*

Debt Limit Regulation:

In accordance with Alberta regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 11.

Supplementary Accounting Principles and Standards Regulation:

In accordance with Alberta regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 12.

*JAM Accounting Group LLP*

Edmonton, Alberta  
April 17, 2026

JAM Accounting Group LLP  
Chartered Professional Accountants




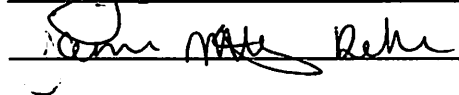
**TOWN OF CALMAR  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2025**

	2025 \$	2024 \$
<b>ASSETS</b>		
Cash and equivalents (Note 2)	6,356,812	3,263,524
Property taxes receivable (Note 3)	601,813	835,737
Trade and other accounts receivable	556,342	1,149,546
	<u>7,514,967</u>	<u>5,248,807</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	439,568	352,008
Deposit liabilities	1,013,792	333,227
Deferred revenue (Note 6)	261,342	34,000
Capital lease (Note 8)	165,286	177,895
Asset retirement obligation (Note 7)	3,138,435	3,073,883
Long-term debt (Note 9)	2,911,242	3,174,015
	<u>7,929,665</u>	<u>7,145,028</u>
<b>NET FINANCIAL DEBT</b>	<u>(414,698)</u>	<u>(1,896,221)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	157,368	132,481
Tangible capital assets (Schedule II)	29,934,527	30,481,974
	<u>30,091,895</u>	<u>30,614,455</u>
<b>ACCUMULATED SURPLUS (Schedule I)</b>	<u>29,677,198</u>	<u>28,718,236</u>

CONTINGENCIES (Note 14)

ON BEHALF OF COUNCIL

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Councilor

The accompanying notes form part of these financial statements

**TOWN OF CALMAR**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2025**

	Budget 2025 \$	Total 2025 \$	Total 2024 \$
<b>REVENUES</b>			
Net municipal property taxes <i>(Schedule III)</i>	3,542,277	<b>3,547,370</b>	3,262,565
Sales, user charges and costs recovered	1,792,000	<b>2,056,401</b>	2,209,556
Franchise and concession contracts	685,000	<b>712,357</b>	700,469
Government transfers <i>(Schedule IV)</i>	444,767	<b>448,570</b>	507,989
Penalties and costs on taxes	91,600	<b>188,653</b>	179,002
Interest income	120,000	<b>144,127</b>	162,360
Licenses and permits	79,750	<b>127,850</b>	124,670
Fines	45,000	<b>34,559</b>	29,752
Other - insurance proceeds <i>(Note 13)</i>	-	-	137,298
	<u>6,800,394</u>	<u><b>7,259,887</b></u>	<u>7,313,661</u>
<b>EXPENSES</b>			
Transportation, roads, streets, walks and lighting	1,001,722	<b>1,310,872</b>	1,208,693
Parks and recreation	1,050,620	<b>1,134,001</b>	1,130,997
Water	865,217	<b>1,089,550</b>	975,632
Administrative	906,673	<b>766,168</b>	758,438
Sewer	461,784	<b>676,159</b>	569,672
Fire and disaster services	287,892	<b>307,294</b>	278,586
By-law enforcement	319,456	<b>285,989</b>	318,702
Waste management	262,379	<b>241,278</b>	284,206
Library	194,200	<b>201,113</b>	195,736
Land use, planning and development	224,692	<b>216,175</b>	146,735
Economic development	217,149	<b>186,765</b>	208,242
Legislative	225,750	<b>175,089</b>	147,993
Police	114,544	<b>115,489</b>	130,939
Community support services	69,155	<b>52,035</b>	53,694
	<u>6,201,233</u>	<u><b>6,757,977</b></u>	<u>6,408,265</u>
<b>EXCESS OF REVENUES BEFORE OTHER</b>	599,161	<b>501,910</b>	905,396
Other			
Government transfers <i>(Schedule IV)</i>	634,227	<b>457,052</b>	597,691
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,233,388	<b>958,962</b>	1,503,087
ACCUMULATED SURPLUS - BEGINNING OF YEAR	28,718,236	<b>28,718,236</b>	27,215,149
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>29,951,624</u>	<u><b>29,677,198</b></u>	<u>28,718,236</u>

*The accompanying notes form part of these financial statements*

**TOWN OF CALMAR**  
**STATEMENT OF CHANGES IN NET FINANCIAL DEBT**  
**YEAR ENDED DECEMBER 31, 2025**

	Budget 2025 \$	2025 \$	2024 \$
<b>Excess of revenue over expenses</b>	1,233,388	<b>958,962</b>	1,503,087
Purchase of tangible capital assets	(1,168,000)	<b>(720,454)</b>	(1,257,225)
Amortization of tangible capital assets	-	<b>1,267,902</b>	1,214,847
Asset retirement obligation capital assets	-	-	(9,000)
Proceeds on disposal of tangible capital assets	-	-	65,000
Loss on disposal of assets	-	-	1,500
Increase in prepaid expenses	-	<b>(24,887)</b>	(12,129)
Decrease in land inventory	-	-	200,000
	<u>(1,168,000)</u>	<u><b>522,561</b></u>	<u>202,993</u>
<b>Change in net debt</b>	65,388	<b>1,481,523</b>	1,706,080
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	<u>(1,896,221)</u>	<u><b>(1,896,221)</b></u>	<u>(3,602,301)</u>
<b>NET FINANCIAL DEBT - END OF YEAR</b>	<u>(1,830,833)</u>	<u><b>(414,698)</b></u>	<u>(1,896,221)</u>

*The accompanying notes form part of these financial statements*

**TOWN OF CALMAR**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2025**

	2025	2024
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	958,962	1,503,087
Items not affecting cash:		
Amortization of tangible capital assets	1,267,902	1,214,847
Loss on disposal of tangible capital assets	-	1,500
Asset retirement obligation tangible capital assets	-	(9,000)
	<u>2,226,864</u>	<u>2,710,434</u>
Changes in non-cash working capital:		
Trade and other accounts receivable	593,204	(529,084)
Deferred revenue	227,342	(60,583)
Prepaid expenses	(24,887)	(12,127)
Property taxes receivable	233,924	(102,733)
Deposit liabilities	680,565	(174,197)
Accounts payable and accrued liabilities	87,560	(101,067)
Asset retirement obligation	64,552	80,833
Land inventory	-	200,000
	<u>1,862,260</u>	<u>(698,958)</u>
Cash flow from operating activities	<u>4,089,124</u>	<u>2,011,476</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(720,454)	(1,257,225)
Proceeds on disposal of tangible capital assets	-	65,000
Cash flow used by investing activities	<u>(720,454)</u>	<u>(1,192,225)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(262,772)	(326,906)
Repayment of obligations under capital lease	(12,610)	(12,237)
Cash flow used by financing activities	<u>(275,382)</u>	<u>(339,143)</u>
<b>INCREASE IN CASH FLOW</b>	<b>3,093,288</b>	<b>480,108</b>
Cash - beginning of year	<u>3,263,524</u>	<u>2,783,416</u>
<b>CASH - END OF YEAR</b>	<b><u>6,356,812</u></b>	<b><u>3,263,524</u></b>

*The accompanying notes form part of these financial statements*

**TOWN OF CALMAR**  
**SCHEDULE I - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**YEAR ENDED DECEMBER 31, 2025**

	Unrestricted Surplus \$	Restricted Surplus \$	Equity in Tangible Assets (Note 10) \$	2025 \$	2024 \$
<b>Balance, beginning of year</b>	545,953	4,116,102	24,056,181	<b>28,718,236</b>	27,215,149
Excess of revenues over expenses	958,962	-	-	<b>958,962</b>	1,503,086
Unrestricted funds designated for future use	(1,691,213)	1,691,213	-	-	-
Contributions for operations	5,543	(5,543)	-	-	-
Funds used for tangible capital assets	(483,896)	(236,558)	720,454	-	-
Addition of ARO tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-
Annual amortization	1,267,902	-	(1,267,902)	-	-
Asset retirement obligation accretion expense	64,552	-	(64,552)	-	-
Asset retirement obligation liability	-	-	-	-	-
Capital lease obligation repaid	(12,609)	-	12,609	-	-
Long-term debt repaid	(262,772)	-	262,772	-	-
<b>Change in accumulated surplus</b>	<b>(153,531)</b>	<b>1,449,112</b>	<b>(336,619)</b>	<b>958,962</b>	<b>1,503,086</b>
Balance, end of year	392,422	5,565,214	23,719,562	<b>29,677,198</b>	28,718,236

*The accompanying notes form part of these financial statements*

**TOWN OF CALMAR**  
**SCHEDULE II - SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2025**

	Land \$	Land Improvement \$	Buildings \$	Engineered Structures \$	Machinery & Equipment \$	Vehicles \$	Construction in Progress \$	2025 \$	2024 \$
<b>Cost:</b>									
Balance, beginning of year	1,230,623	246,524	15,361,473	30,720,298	3,854,861	684,640	40,057	<b>52,138,476</b>	51,180,879
Acquisition of tangible capital assets	-	9,672	-	215,035	142,183	353,564	-	<b>720,454</b>	1,266,225
Construction-in-progress	-	-	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-	-	(308,628)
<b>Balance, end of year</b>	<b>1,230,623</b>	<b>256,196</b>	<b>15,361,473</b>	<b>30,935,333</b>	<b>3,997,044</b>	<b>1,038,204</b>	<b>40,057</b>	<b>52,858,930</b>	<b>52,138,476</b>
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	112,702	6,139,230	12,920,663	1,999,146	484,761	-	<b>21,656,502</b>	20,683,783
Annual amortization	-	7,567	336,051	671,440	221,643	31,201	-	<b>1,267,902</b>	1,214,847
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(242,128)
<b>Balance, end of year</b>	<b>-</b>	<b>120,269</b>	<b>6,475,281</b>	<b>13,592,103</b>	<b>2,220,789</b>	<b>515,962</b>	<b>-</b>	<b>22,924,404</b>	<b>21,656,502</b>
<b>Net book value</b>	<b>1,230,623</b>	<b>135,927</b>	<b>8,886,192</b>	<b>17,343,230</b>	<b>1,776,255</b>	<b>522,242</b>	<b>40,057</b>	<b>29,934,527</b>	<b>30,481,974</b>
<b>2024 net book value</b>	<b>1,230,623</b>	<b>133,821</b>	<b>9,222,243</b>	<b>17,799,636</b>	<b>1,855,715</b>	<b>199,877</b>	<b>40,057</b>	<b>-</b>	<b>30,481,974</b>

The accompanying notes form part of these financial statements

**TOWN OF CALMAR**  
**SCHEDULE III - SCHEDULE OF PROPERTY TAXES LEVIED**  
**YEAR ENDED DECEMBER 31, 2025**

	2025 <i>Budget</i> \$	<b>2025</b> \$	2024 \$
<b>Taxation</b>			
Real property taxes	4,462,616	<b>4,467,709</b>	4,076,684
<b>Requisitions</b>			
Alberta School Foundation Fund	883,018	<b>883,018</b>	806,253
Leduc Foundation	37,321	<b>37,321</b>	7,866
<b>Requisition Total</b>	920,339	<b>920,339</b>	814,119
<b>Net municipal property taxes</b>	3,542,277	<b>3,547,370</b>	3,262,565

**TOWN OF CALMAR**  
**SCHEDULE IV - SCHEDULE OF GOVERNMENT TRANSFERS**  
**YEAR ENDED DECEMBER 31, 2025**

	2025 <i>Budget</i> \$	<b>2025</b> \$	2024 \$
<b>Operating</b>			
Local	368,600	<b>372,409</b>	431,828
Provincial	76,167	<b>76,161</b>	76,161
	<u>444,767</u>	<u><b>448,570</b></u>	<u>507,989</u>
<b>Capital</b>			
Provincial	634,227	<b>457,052</b>	592,423
Local	-	-	5,268
	<u>634,227</u>	<u><b>457,052</b></u>	<u>597,691</u>
<b>Total government transfers</b>	<u>1,078,994</u>	<u><b>905,622</b></u>	<u>1,105,680</u>

*The accompanying notes form part of these financial statements*

**TOWN OF CALMAR**  
**SCHEDULE V - CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT**  
**YEAR ENDED DECEMBER 31, 2025**

	2025 <i>Budget</i> \$	2025 \$	2024 \$
<b>Consolidated expenses by object</b>			
Salaries, wages and benefits	2,449,731	<b>2,256,840</b>	2,215,130
Contracted and general services	2,214,746	<b>1,661,542</b>	1,487,868
Amortization of tangible capital assets	-	<b>1,267,902</b>	1,214,847
Materials, goods and utilities	1,002,755	<b>954,083</b>	895,417
Purchases from other governments	422,000	<b>447,816</b>	407,177
Interest on long-term debt	103,001	<b>89,192</b>	98,681
Accretion of asset retirement obligation	-	<b>64,552</b>	71,833
Bank charges and short term interest	9,000	<b>15,509</b>	13,352
Provision for allowances	-	<b>541</b>	1,560
Transfers to individuals and organizations	-	-	2,400
	<u>6,201,233</u>	<u><b>6,757,977</b></u>	<u>6,408,265</u>

*The accompanying notes form part of these financial statements*

**TOWN OF CALMAR**  
**SCHEDULE VI - SCHEDULE OF SEGMENTED DISCLOSURE A**  
**YEAR ENDED DECEMBER 31, 2025**

	General Government \$	Transportation, Roads, Streets \$	Legislative and Administrative \$	Environmental Services \$	Parks and Recreation \$	Protective Services \$
<b>Revenue</b>						
Net municipal taxes	3,547,370	-	-	-	-	-
Sales, user charges, and costs	-	1,970	27,663	1,516,854	289,685	2,006
Government transfers	54,684	455,000	-	2,052	240,556	25,454
Franchise and concession	712,357	-	-	-	-	-
Penalties and costs on taxes	188,653	-	-	-	-	-
Licenses and permits	-	-	-	-	-	16,965
Interest income	144,127	-	-	-	-	-
Other - insurance proceeds	-	-	-	-	-	-
Fines	-	-	-	-	-	34,559
<b>Revenue total</b>	<b>4,647,191</b>	<b>456,970</b>	<b>27,663</b>	<b>1,518,906</b>	<b>530,241</b>	<b>78,984</b>
<b>Expenses</b>						
Salaries, wages, and benefits	-	189,968	434,020	458,558	510,246	247,561
Contracted and general services	-	155,180	388,771	264,776	288,231	374,579
Materials, goods and utilities	-	375,325	58,264	249,066	201,672	34,823
Purchases from other governments	-	-	-	447,816	-	-
Interest on long-term debt	-	67,271	-	16,310	5,612	-
Accretion expense	-	8,010	941	52,551	2,322	-
Bank charges and short-term interest	-	-	15,509	-	-	-
Transfers to individuals and organizations	-	-	-	-	-	-
Provision for allowances	-	-	400	141	-	-
<b>Expenses total</b>	<b>-</b>	<b>795,754</b>	<b>897,905</b>	<b>1,489,218</b>	<b>1,008,083</b>	<b>656,963</b>
<b>Net revenue, before amortization total</b>	<b>4,647,191</b>	<b>(338,784)</b>	<b>(870,242)</b>	<b>29,688</b>	<b>(477,842)</b>	<b>(577,979)</b>
<b>Amortization expense</b>	<b>-</b>	<b>515,118</b>	<b>43,352</b>	<b>517,769</b>	<b>125,917</b>	<b>51,809</b>
<b>Net revenue</b>	<b>4,647,191</b>	<b>(853,902)</b>	<b>(913,594)</b>	<b>(488,081)</b>	<b>(603,759)</b>	<b>(629,788)</b>

The accompanying notes form part of these financial statements

**TOWN OF CALMAR**  
**SCHEDULE VI - SCHEDULE OF SEGMENTED DISCLOSURE A**  
**YEAR ENDED DECEMBER 31, 2025**

	Library \$	Community Support \$	Land Use and Development \$	Economic Development \$	2025 \$	2024 \$
<b>Revenue</b>						
Net municipal taxes	-	-	-	-	<b>3,547,370</b>	3,262,565
Sales, user charges, and costs	501	12,422	204,220	1,079	<b>2,056,401</b>	2,209,556
Government transfers	100,876	27,000	-	-	<b>905,622</b>	1,105,680
Franchise and concession	-	-	-	-	<b>712,357</b>	700,469
Penalties and costs on taxes	-	-	-	-	<b>188,653</b>	179,002
Licenses and permits	-	-	110,885	-	<b>127,850</b>	124,670
Interest income	-	-	-	-	<b>144,127</b>	162,360
Other - insurance proceeds	-	-	-	-	-	137,298
Fines	-	-	-	-	<b>34,559</b>	29,752
<b>Revenue total</b>	<b>101,377</b>	<b>39,422</b>	<b>315,105</b>	<b>1,079</b>	<b>7,716,939</b>	<b>7,911,352</b>
<b>Expenses</b>						
Salaries, wages, and benefits	134,607	31,601	114,737	135,542	<b>2,256,840</b>	2,215,130
Contracted and general services	26,287	18,878	100,552	44,288	<b>1,661,542</b>	1,487,868
Materials, goods, and utilities	25,556	1,555	886	6,936	<b>954,083</b>	895,417
Purchases from other governments	-	-	-	-	<b>447,816</b>	407,177
Interest on long-term debt	-	-	-	-	<b>89,192</b>	98,681
Accretion expense	727	-	-	-	<b>64,552</b>	71,833
Bank charges and short-term interest	-	-	-	-	<b>15,509</b>	13,352
Transfers to individuals and organizations	-	-	-	-	-	2,400
Provision for allowances	-	-	-	-	<b>541</b>	1,560
<b>Expenses total</b>	<b>187,177</b>	<b>52,034</b>	<b>216,175</b>	<b>186,766</b>	<b>5,490,075</b>	<b>5,193,418</b>
<b>Net revenue before amortization total</b>	<b>(85,800)</b>	<b>(12,612)</b>	<b>98,930</b>	<b>(185,687)</b>	<b>2,226,864</b>	<b>2,717,934</b>
<b>Amortization expense</b>	<b>13,936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,267,902</b>	<b>1,214,847</b>
<b>Net revenue</b>	<b>(99,736)</b>	<b>(12,612)</b>	<b>98,930</b>	<b>(185,687)</b>	<b>958,962</b>	<b>1,503,087</b>

The accompanying notes form part of these financial statements

**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**1. Significant accounting policies**

The consolidated financial statements of the Town of Calmar (the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources, including the Calmar Public Library.

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.

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

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Management uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the year. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Trade and other accounts receivable and property taxes receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accretion expenses are based on the average annual inflation index in Canada.

Cash and equivalents

Cash and equivalents include balances with banks and short term investments with maturities of three months or less.

Property tax 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.

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**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**1. Significant accounting policies (*continued*)**

Liability for contaminated sites

A liability for the remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at December 31, 2025.

At each financial reporting date, the Town reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. 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. The Town has not identified any contaminated sites for which a liability is expected.

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 obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

**i. Government transfers**

Government transfers are the transfer of assets from senior levels of the 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.

The Town recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Town recognizes as a revenue as the liability is settled.

**ii. Tax revenue**

The Town recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at management's best estimate of the amount, resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Town evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

**iii. Utility service revenue**

The Town recognizes the provision of utility services as assets and revenue when they meet the definition of an asset in the period the utility services are provided to the customers.

**iv. Fines and penalties**

Traffic fine revenue is recorded as cash is received, which is not materially different than recording such revenue on an accrual basis.

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**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**1. Significant accounting policies (continued)**

**v. Other revenue**

Other sources of revenue are recorded when received or receivable.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the remaining 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 an 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.

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

**i. Tangible capital assets**

Buildings	40-65 years
Land improvements	15-60 years
Engineered structures	
Water system	40 years
Wastewater system	40 years
Other engineered structures	5-40 years
Machinery and equipment	5-25 years
Vehicles	5-20 years
ARO assets	10-40 years

Amortization is not charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

**ii. Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

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**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**1. Significant accounting policies (continued)**

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses incurred.

**iv. Cultural and historical tangible capital assets**

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

**v. Prepaid expenses**

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Segments

The Town conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Town's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

**2. Cash and equivalents**

	<b>2025</b>	2024
	<b>\$</b>	\$
Cash	<b>6,356,312</b>	3,262,794
Petty cash and floats	<b>500</b>	730
	<b>6,356,812</b>	3,263,524

**3. Property taxes receivable**

	<b>2025</b>	2024
	<b>\$</b>	\$
Current property taxes receivable	<b>389,667</b>	398,431
Arrears of property taxes receivable	<b>212,146</b>	437,306
	<b>601,813</b>	835,737

**4. Tax sale proceeds**

Tax sale proceeds and the associated liabilities consist of the excess funds collected on the sale of seized properties put up for tax auction after outstanding property taxes were recovered. Under the *Municipal Government Act*, the Town is required to hold these funds for up to 10 years and attempted to disperse them to the former property owners.

**5. Bank indebtedness**

The Town has a revolving line of Credit with ATB Financial with a maximum limit of \$2,000,000 (2024 - \$2,000,000). Interest accrues monthly on the outstanding balance at a rate of prime plus 1.00%. As at December 31, 2025, the prime rate was 4.45% (2024 - 5.45%). As of December 31, 2025, the Town had drawn \$nil (2024 - \$nil) on the line of credit.

**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**6. Deferred revenue**

	<b>2025</b>	2024
	<b>\$</b>	\$
Canada Community Building Fund	<b>182,588</b>	-
Ice and Program Centre rentals	<b>68,129</b>	23,650
Business licenses	<b>10,625</b>	10,350
	<b>261,342</b>	34,000

Included in the Town's deferred revenue are amounts invoiced in the fiscal year but pertaining to future periods.

**7. Asset Retirement Obligation**

Hazardous building material abatement

The Town owns buildings which contain hazardous building materials (HBMs) 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 HBMs in a prescribed manner when it is disturbed. The estimated total liability for the abatement activities for these buildings is \$179,250 adjusted annually for inflation. In fiscal 2024, it was determined that an additional \$9,000 of abatement activities is required on one of the buildings owned by the Town.

One of the buildings owned by the Town was built on a former landfill. The estimated total future liability for the sampling and testing of soil and water at this site is \$370,000 adjusted annually for inflation.

Lagoon

The Town operates a lagoon which is comprised of three treatment cells for the treatment and storage of waste water prior to its release. The Town is legally required to decommission and remediate this site. The estimated total liability for the decommissioning, remediation and reclamation of the lagoon is \$2,006,800 adjusted annually for inflation.

Commingled plume

The Town owns land in which a commingled petroleum hydrocarbon plume of impacted soil and groundwater is present. Annual groundwater monitoring is to be conducted as part of the Town's Risk Management Plan (RMP). The estimated total future liability for the sampling and testing of soil and water is \$150,000 adjusted annually for inflation. The estimated total liability for the soil requiring remediation in the future related to potential utility upgrades or replacements is \$287,000 adjusted annually for inflation.

	<b>2025</b>	2024
	<b>\$</b>	\$
<u>Total asset retirement obligations</u>		
Beginning balance	<b>3,073,883</b>	2,993,050
Liabilities incurred	-	9,000
Liabilities settled	-	-
Accretion expense	<b>64,552</b>	71,833
Estimated total liability	<b>3,138,435</b>	3,073,883

**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**8. Obligations under capital lease**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Equipment lease, due January 1, 2037 with a net book value of \$312,678 (2024 - \$327,568). The lease bears interest at 3.46% and is repayable in monthly blended payments of \$1,481.	<b>165,286</b>	<b>177,895</b>

Future minimum capital lease principal payments are approximately:

	<b>\$</b>
2026	12,993
2027	13,388
2028	13,795
2029	14,215
2030	14,647
Thereafter	96,248
<b>Total minimum payments</b>	<b>165,286</b>

**9. Long-term debt**

Tax supported debentures as of December 31, 2025 were \$2,911,242 (2024 - \$3,174,015). Payments of interest and principal are due as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
2026	271,295	76,702	<b>347,997</b>
2027	222,283	68,506	<b>290,789</b>
2028	228,858	61,931	<b>290,789</b>
2029	235,640	55,149	<b>290,789</b>
2030	215,412	48,154	<b>263,566</b>
To maturity	1,737,754	203,333	<b>1,941,087</b>
	<b>2,911,242</b>	<b>513,775</b>	<b>3,425,017</b>

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.46% to 4.37% per annum before Provincial subsidy, and mature in periods 2026 through 2039. The average annual interest rate is 3.42% for 2025 (2024 - 3.72%). Debenture debt is issued on the credit and security of the Town of Calmar at large.

The Town's cash payments for interest in 2025 were \$85,225 (2024 - \$96,283).

**10. Equity in tangible capital assets**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Tangible capital assets	<b>52,858,929</b>	52,138,476
Accumulated amortization	<b>(22,924,404)</b>	(21,656,502)
Capital lease	<b>(165,286)</b>	(177,895)
Assest Retirement Obligation	<b>(3,138,435)</b>	(3,073,883)
Long-term debt	<b>(2,911,242)</b>	(3,174,015)
	<b>23,719,562</b>	24,056,181

**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**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 255/00 for the Town of Calmar be disclosed as follows:

	<b>2025</b>	2024
	<b>\$</b>	\$
Total debt limit	<b>10,889,831</b>	10,970,492
Total debt	<b>3,076,528</b>	3,351,910
Amount of debt limit unused	<b>7,813,303</b>	7,618,582
Service on debt limit	<b>1,814,972</b>	1,828,415
Service on debt	<b>365,771</b>	365,833
Amount of debt servicing limit unused	<b>1,449,201</b>	1,462,582

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the consolidated financial statements must be interpreted as a whole.

**12. 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

	Months	Salary/ remuneration \$	Benefits & allowances \$	<b>2025</b> \$	2024 \$
Mayor/Councillor Gardner	12	20,238	2,370	<b>22,608</b>	17,564
Councillor/Mayor Carnahan	12	21,969	2,473	<b>24,442</b>	25,042
Councillor Faulkner	12	15,312	2,077	<b>17,390</b>	15,409
Councillor McKeag	12	16,062	2,122	<b>18,184</b>	17,569
Councillor Benson	10	10,762	1,633	<b>12,395</b>	13,207
Councillor Bourdin	2	3,017	309	<b>3,326</b>	-
CAO	12	164,449	16,467	<b>180,916</b>	178,113
Designated officers (3)	12	375,500	40,423	<b>415,923</b>	358,171

Salary and remuneration includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including RRSPs, dental coverage, vision coverage, group life insurance and accidental disability and disbursement insurance.

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

**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**13. Insurance proceeds**

During fiscal 2024, a street sweeper was disposed of due to fire damage. The total insurance proceeds and gain on the equipment was \$137,298.

**14. Contingencies**

The Town is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the membership, the Town 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 losses are determined.

In the normal conduct of operations, there are pending claims by and against the Town. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Town's financial position or results of operations.

**15. Guarantees**

The Town guarantees the balances of its credit cards to a maximum of \$37,000 (2024 - \$37,000).

**16. Segments**

The Town provides a range of services to its ratepayers. For each reported segment, the revenue, 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 consolidated financial statements as disclosed in Note 1.

Refer to Schedule VI - Schedule of Segmented Disclosure.

**17. Financial instruments**

The Town 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 town's risk exposure and concentration as of December 31, 2025.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The financial instruments that potentially subject the Town to significant concentration of credit risk consist primarily of cash, restricted cash, and investments. The Town mitigates its exposure to credit loss by placing its cash, restricted cash, and investments with major financial institutions.

**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 is exposed to interest rate price risk to the extent that the investments bear interest at fixed rates.

**18. Budget**

The budget data presented in these financial statements is based on the operating and capital budgets presented and approved by Town Council.

**TOWN OF CALMAR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**19. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**20. Approval of financial statements**

These financial statements were approved by Council and Management.