

VILLAGE OF DELIA
Financial Statements
Year Ended December 31, 2025

VILLAGE OF DELIA
Contents
Year Ended December 31, 2025

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Schedule of Changes in Accumulated Surplus (<i>Schedule 1</i>)	8
Schedule of Tangible Capital Assets (<i>Schedule 2</i>)	9
Schedule of Property and Other Taxes (<i>Schedule 3</i>)	10
Schedule of Government Transfers (<i>Schedule 4</i>)	10
Schedule of Expenses by Object (<i>Schedule 5</i>)	11
Schedule of Segmented Disclosure (<i>Schedule 6</i>)	12
Notes to Financial Statements	13 - 24

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards (PSAS).

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

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

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

The Village Council carries out its responsibilities for review of the financial statements primarily through Council meetings. Council meets annually with management and 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 Village Council has approved the financial statements.

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

William Wulff
Interim Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Village of Delia

Opinion

We have audited the financial statements of Village of Delia (the "Village"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net financial assets, and cash flows for the year then ended, 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 Village as at December 31, 2025, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Village 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 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 Village'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 Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village'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.

(continues)

Independent Auditor's Report to the Members of Council of Village of Delia (*continued*)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village'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 Village 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 Village is in compliance with the Debt Limit Regulation. A detailed account of the Village'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 Village is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 1.

A handwritten signature in black ink that reads "Ascend" in a cursive, slightly stylized font. A thick, horizontal black line is drawn underneath the signature, extending from the left side of the word towards the right.

Ascend LLP
Chartered Professional Accountants
Hanna, Alberta
April 23, 2026

VILLAGE OF DELIA
Statement of Financial Position
As at December 31, 2025

	2025	2024
ASSETS		
Cash (Note 2)	\$ 592,845	\$ 364,297
Receivables		
Taxes and grants in place of taxes receivable (Note 3)	84,101	72,336
Trade and other receivables (Note 3)	211,270	390,081
Land inventory held for resale	22,862	22,882
Investments (Note 4)	67,906	65,646
	<u>978,984</u>	<u>915,242</u>
LIABILITIES		
Accounts payable and accrued liability (Note 5)	99,308	60,336
Deposit liabilities (Note 6)	5,941	3,361
Deferred revenue (Note 7)	448,035	399,021
Asset retirement obligations (Note 8)	19,293	18,374
Long-term debt (Note 10)	143,851	173,543
	<u>716,428</u>	<u>654,635</u>
NET FINANCIAL ASSETS	<u>262,556</u>	<u>260,607</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	4,276,270	4,149,430
Prepaid expenses	17,040	16,773
	<u>4,293,310</u>	<u>4,166,203</u>
ACCUMULATED SURPLUS (Schedule 1, Note 13)	<u>\$ 4,555,866</u>	<u>\$ 4,426,810</u>
CONTAMINATED SITES LIABILITY (Note 9)		
COMMITMENTS (Note 18)		
CONTINGENCY (Note 19)		

Approved on behalf of the Village Council:

 Mayor

 Councillor

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
Statement of Operations
Year Ended December 31, 2025

	Budget <i>(Unaudited)</i>	2025	2024
REVENUES			
Net municipal taxes <i>(Schedule 3)</i>	\$ 297,817	\$ 296,125	\$ 289,822
User fees and sales of goods	166,100	157,760	156,053
Government transfers for operating <i>(Schedule 4)</i>	61,108	61,108	75,694
Return on investments	19,000	11,904	15,935
Penalties and costs on taxes	6,500	9,502	8,419
Franchise and concession contracts <i>(Note 21)</i>	37,000	34,914	35,683
Licenses and permits	800	1,235	845
Fines	-	-	104
Other	1,500	2,846	1,878
Total Revenue	589,825	575,394	584,433
EXPENSES			
General government			
Council and other legislative	23,610	24,747	16,983
General administration	175,250	185,392	217,122
Protective services			
Fire	33,188	41,660	47,244
Disaster and emergency measures	5,650	630	2,331
Transportation			
Roads, streets, walks and lighting	99,900	125,054	122,706
Environmental use and protection			
Water supply and distribution	151,210	204,884	196,719
Wastewater treatment and disposal	14,100	29,322	29,930
Waste management	28,925	29,506	33,133
Public health and welfare			
Family and community support	1,641	1,641	1,641
Planning and development			
Economic and agricultural development	4,100	4,100	4,100
Subdivision land and development	-	20	-
Recreation and culture			
Parks and recreation	6,650	4,184	6,403
Libraries	5,154	6,472	5,525
Total Expenses	549,378	657,612	683,837
SHORTFALL OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE	40,447	(82,218)	(99,404)
Government transfers for capital <i>(Schedule 4)</i>	-	211,274	-
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	40,447	129,056	(99,404)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,426,810	4,426,810	4,526,214
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,467,257	\$ 4,555,866	\$ 4,426,810

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
Statement of Changes in Net Financial Assets
Year Ended December 31, 2025

	Budget <i>(Unaudited)</i>	2025	2024
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 40,447	\$ 129,056	\$ (99,404)
Acquisition of tangible capital assets	-	(275,128)	(8,577)
Amortization of tangible capital assets	-	148,225	145,378
Loss on disposal of tangible capital assets	-	63	-
	-	(126,840)	136,801
Change in prepaid expenses	-	(267)	(86)
	-	(127,107)	136,715
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	40,447	1,949	37,311
NET FINANCIAL ASSETS, BEGINNING OF YEAR	260,607	260,607	223,296
NET FINANCIAL ASSETS, END OF YEAR	\$ 301,054	\$ 262,556	\$ 260,607

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (shortfall) of revenue over expenses	\$ 129,056	\$ (99,404)
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	148,225	145,378
Loss on disposal of tangible capital assets	63	-
Accretion of asset retirement obligations (Note 8)	919	875
	<u>278,263</u>	<u>46,849</u>
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivable	(11,765)	(18,081)
Trade and other receivables	178,811	(102,725)
Land inventory held for resale	20	-
Prepaid expenses	(267)	(86)
Accounts payable and accrued liability	38,972	(72,268)
Deposit liabilities	2,580	1,000
Deferred revenue	49,014	241,891
	<u>257,365</u>	<u>49,731</u>
	<u>535,628</u>	<u>96,580</u>
CAPITAL		
Acquisition of tangible capital assets	<u>(275,128)</u>	<u>(8,577)</u>
INVESTING		
Increase in investments	(2,260)	(119)
(Increase) decrease in restricted cash	<u>(355,567)</u>	<u>6,425</u>
	<u>(357,827)</u>	<u>6,306</u>
FINANCING		
Repayment of long-term debt	<u>(29,692)</u>	<u>(63,657)</u>
CHANGE IN CASH DURING THE YEAR	(127,019)	30,652
CASH, BEGINNING OF YEAR	<u>251,467</u>	<u>220,815</u>
CASH, END OF YEAR	<u>\$ 124,448</u>	<u>\$ 251,467</u>
CASH CONSIST OF:		
Cash	\$ 592,845	\$ 364,297
Less: restricted portion of cash (Note 2)	<u>(468,397)</u>	<u>(112,830)</u>
	<u>\$ 124,448</u>	<u>\$ 251,467</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA

**Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2025**

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Tangible Capital Assets	Equity in Capital Assets	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 235,375	\$ 133,440	\$ 4,057,995	\$ 4,426,810	\$ 4,526,214	
Excess (shortfall) of revenue over expenses	129,056	-	-	-	129,056	(99,404)
Unrestricted funds designated for future use	(9,195)	9,195	-	-	-	-
Current year funds used for tangible capital assets	(275,128)	-	275,128	(63)	-	-
Net book value of disposed tangible capital assets	63	-	(63)	(148,225)	-	-
Annual amortization expense	148,225	-	-	29,692	-	-
Long-term debt repaid	(29,692)	-	-	(919)	-	-
Asset retirement obligations accretion expense	919	-	-	-	-	-
Change in accumulated operating surplus	(35,752)	9,195	155,613	129,056	(99,404)	-
BALANCE, END OF YEAR	\$ 199,623	\$ 142,635	\$ 4,213,608	\$ 4,555,866	\$ 4,426,810	

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
 Schedule of Tangible Capital Assets
 Year Ended December 31, 2025

(Schedule 2)

	COST						2025	2024
	Land	Improvement	Land	Buildings	Engineered Structures	Machinery and Equipment		
BALANCE, BEGINNING OF YEAR	\$ 7,480	\$ 53,683	\$ 245,102	\$ 5,673,681	\$ 231,958	\$ 474,075	\$ 6,685,979	\$ 6,677,402
Acquisition of tangible capital assets	-	-	-	211,274	-	-	211,274	8,577
Construction-in-progress	-	-	-	63,854	-	-	63,854	-
Disposals of tangible capital assets	-	-	-	-	(625)	-	(625)	-
BALANCE, END OF YEAR	7,480	53,683	245,102	5,948,809	231,333	474,075	6,960,482	6,685,979
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	46,113	149,563	1,870,480	188,330	282,063	2,536,549	2,391,171
Amortization	-	448	3,980	125,327	3,743	14,727	148,225	145,378
Disposals	-	-	-	-	(562)	-	(562)	-
BALANCE, END OF YEAR	-	46,561	153,543	1,995,807	191,511	296,790	2,684,212	2,536,549
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	\$ 7,480	\$ 7,122	\$ 91,559	\$ 3,953,002	\$ 39,822	\$ 177,285	\$ 4,276,270	\$ 4,149,430
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	\$ 7,480	\$ 7,570	\$ 95,539	\$ 3,803,201	\$ 43,628	\$ 192,012	\$ 4,149,430	

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
Schedule of Property and Other Taxes
Year Ended December 31, 2025

(Schedule 3)

	Budget <i>(Unaudited)</i>	2025	2024
TAXATION			
Real property taxes	\$ 346,103	\$ 342,395	\$ 332,885
Linear property taxes	16,461	18,477	16,387
	<u>362,564</u>	<u>360,872</u>	<u>349,272</u>
REQUISITIONS			
Alberta School Foundation Fund	53,082	53,082	47,075
Drumheller and District Seniors Foundation	11,665	11,665	12,375
	<u>64,747</u>	<u>64,747</u>	<u>59,450</u>
NET MUNICIPAL TAXES	<u>\$ 297,817</u>	<u>\$ 296,125</u>	<u>\$ 289,822</u>

Schedule of Government Transfers
Year Ended December 31, 2025

(Schedule 4)

	Budget <i>(Unaudited)</i>	2025	2024
TRANSFERS FOR OPERATING			
Provincial government	\$ 61,108	\$ 51,308	\$ 65,894
Local government	-	9,800	9,800
	<u>61,108</u>	<u>61,108</u>	<u>75,694</u>
TRANSFER FOR CAPITAL			
Federal government	-	211,274	-
TOTAL GOVERNMENT TRANSFERS	<u>\$ 61,108</u>	<u>\$ 272,382</u>	<u>\$ 75,694</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
Schedule of Expenses by Object
Year Ended December 31, 2025

(Schedule 5)

	Budget <i>(Unaudited)</i>	2025	2024
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 204,020	\$ 215,129	\$ 225,555
Contracted and general services	136,690	118,737	142,557
Materials, goods, supplies and utilities	171,650	137,508	135,402
Provision for allowances	-	3,540	-
Transfers to individuals and organizations	25,408	21,075	26,952
Bank and interest charges	-	133	6
Interest on long-term debt <i>(Note 10)</i>	11,610	12,283	7,112
Amortization of tangible capital assets <i>(Schedule 2)</i>	-	148,225	145,378
Loss on disposal of tangible capital assets	-	63	-
Accretion of asset retirement obligations <i>(Note 8)</i>	-	919	875
	<u>\$ 549,378</u>	<u>\$ 657,612</u>	<u>\$ 683,837</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DELIA
 Schedule of Segmented Disclosure
 Year Ended December 31, 2025

(Schedule 6)

	General Government	Protective Services	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Total
Revenue								
Net municipal taxes	\$ 296,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,125
User fees and sales of goods	6,329	5,828	1,872	143,711	-	20	-	157,760
Operating government transfers	14,943	14,546	2,895	21,571	-	4,100	3,053	61,108
Return on investments	7,709	4,195	-	-	-	-	-	11,904
Penalties and costs on taxes	9,502	-	-	-	-	-	-	9,502
Franchise and concession contracts	34,914	-	-	-	-	-	-	34,914
Licenses and permits	1,235	-	-	-	-	-	-	1,235
Other revenues	-	1,401	1,445	-	-	-	-	2,846
	370,757	25,970	6,212	165,282	-	4,120	3,053	575,394
Expenses								
Salaries, wages and benefits	127,183	-	43,046	44,900	-	-	-	215,129
Contract and general services	70,250	6,641	5,876	35,704	-	-	266	118,737
Materials, goods, supplies and utilities	8,681	10,722	34,252	76,898	-	20	6,935	137,508
Provision for allowances	2,142	1,398	-	-	-	-	-	3,540
Transfers to individuals and organizations	-	7,755	-	4,525	1,641	4,100	3,054	21,075
Bank and interest charges	133	-	-	-	-	-	-	133
Interest on long-term debt	-	-	-	12,283	-	-	-	12,283
Loss on disposal of tangible capital assets	-	-	-	63	-	-	-	63
	208,389	26,516	83,174	174,373	1,641	4,120	10,255	508,468
NET REVENUE, BEFORE AMORTIZATION AND OTHER	162,368	(546)	(76,962)	(9,091)	(1,641)	-	(7,202)	66,926
Government transfers for capital	-	-	211,274	-	-	-	-	211,274
Amortization expense	(1,721)	(15,774)	(41,877)	(88,452)	-	-	(401)	(148,225)
Accretion of asset retirement obligations	(29)	-	(3)	(887)	-	-	-	(919)
NET REVENUE	\$ 160,618	\$ (16,320)	\$ 92,432	\$ (98,430)	\$ (1,641)	\$ -	\$ (7,603)	\$ 129,056

The accompanying notes are an integral part of these financial statements