TOWN OF BENTLEY

Financial Statements and
Auditors' Report

December 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Town of Bentley have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Town of Bentley's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Town Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited on behalf of Council by RSM Canada LLP, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the Town’s consolidated financial statements.

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Marc Fortais

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Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Town of Bentley

Opinion

We have audited the accompanying consolidated financial statements of Town of Bentley, which comprises of the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations and accumulated surplus, changes in net financial debt and cash flows and schedules for the year then ended, and a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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.

Emphasis of Matter

We draw attention to Note 4 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

INDEPENDENT AUDITOR'S REPORT continued

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Town as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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.

RSM Canada LLP

Chartered Professional Accountants

Edmonton, Alberta
April 30, 2026

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TOWN OF BENTLEY
Consolidated Statement of Financial Position
December 31, 2025

	2025	2024 Restated (Note 4)
FINANCIAL ASSETS		
Cash	**$ 975,508**	$ 935,118
Trade and other receivables (note 5)	**224,409**	229,817
Taxes receivable (note 6)	**136,663**	168,521
	1,336,580	1,333,456
LIABILITIES		
Accounts payable and accruals (note 8)	**352,449**	345,352
Asset retirement obligations (note 9)	**1,808,754**	1,765,308
Deferred revenue	**13,161**	11,296
Trust liabilities	**62,988**	62,988
	2,237,352	2,184,944
NET FINANCIAL DEBT	**(900,772)**	(851,488)
NON-FINANCIAL ASSETS		
Tangible capital assets (page 6)	**16,551,658**	14,971,856
Prepaid expenses	**68,042**	64,888
Inventory for consumption	**10,000**	10,000
Land for resale inventory (note 12)	**215,425**	462,310
	16,845,125	15,509,054
ACCUMULATED SURPLUS (note 13)	**$15,944,353**	$14,657,566

Contingent liability (note 11)
Commitments (note 14)

Approved by Council:

Mayor

Chief Administrative Officer

TOWN OF BENTLEY

Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2025

	Budget	**2025**	2024 Restated (Note 4)
Revenue			
Net municipal taxes (page 7)	$ 1,224,448	**$ 1,227,158**	$ 1,194,587
User fees and sales of goods	719,050	**729,567**	726,197
Government transfers for operating (page 8)	1,108,102	**310,328**	336,713
Other	560,580	**131,737**	99,973
Franchise fees (note 16)	130,000	**120,456**	124,156
Penalties and cost of taxes	56,000	**53,485**	44,051
Investment income	35,000	**26,301**	35,402
Fines	8,000	**2,031**	6,770
Licenses and permits	8,000	**11,579**	8,033
	3,849,180	**2,612,642**	2,575,882
Expenses (page 9)			
Administrative	512,969	**523,837**	558,581
Parks and recreation	376,904	**469,696**	517,537
Roads, streets, walks and lighting	251,140	**492,185**	497,886
Wastewater treatment and disposal	115,219	**276,536**	242,393
Fire	73,953	**161,138**	173,141
Waste management	220,354	**227,640**	203,742
Water supply and distribution	172,154	**159,048**	202,652
Common services	194,932	**208,672**	175,526
Legislative	112,642	**120,453**	154,746
Disaster services and bylaws enforcement	127,850	**102,328**	137,202
Municipal planning and zoning	83,980	**77,505**	135,730
Library	38,489	**127,788**	103,643
Family and community support	85,118	**112,701**	102,840
	2,365,704	**3,059,527**	3,205,619
Excess (deficiency) of revenue over expenses before the following	1,483,476	**(446,885)**	(629,737)
Other income			
Government transfers for capital (page 8)	470,918	**1,463,216**	860,523
Gain on land for resale inventory (note 12)	-	**270,456**	67,802
Excess of revenue over expenses	1,954,394	**1,286,787**	298,588
Accumulated surplus, beginning of year (note 4)	14,657,566	**14,657,566**	14,358,978
Accumulated surplus, end of year	$ 16,611,960	**$ 15,944,353**	$ 14,657,566

See accompanying schedules and notes

TOWN OF BENTLEY

Consolidated Statement of Changes in Net Financial Debt

Year Ended December 31, 2025

	Budget	**2025**	2024 Restated (Note 4)
Excess of revenue over expenses	$ 1,954,394	**$ 1,286,787**	$ 298,588
Acquisition of tangible capital assets	(2,020,547)	**(2,116,621)**	(889,753)
Amortization of tangible capital assets	-	**536,819**	503,506
Change in prepaid expenses	-	**(3,154)**	(1,478)
Change in land for resale inventory	-	**246,885**	48,690
Increase (decrease) in net financial debt	(66,153)	**(49,284)**	(40,447)
Net financial debt, beginning of year	(851,488)	**(851,488)**	(811,041)
Net financial debt, end of year	$ (917,641)	**$ (900,772)**	$ (851,488)

TOWN OF BENTLEY
Consolidated Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
CASH PROVIDED BY (USED FOR)		
Operating activities		
Cash receipts from ratepayers, services and agencies	**$ 2,625,471**	$ 2,457,206
Cash paid to suppliers, employees and agencies	**(2,453,484)**	(2,512,495)
Interest received	**26,301**	35,402
Interest paid	**(21,835)**	(22,684)
	176,453	(42,571)
Capital activities		
Purchase of tangible capital assets	**(2,116,621)**	(889,753)
Government transfers for capital	**1,463,216**	860,523
Proceeds on sale of land for resale inventory	**517,342**	116,492
	(136,063)	87,262
Financing activities		
Repayment of long-term debt	**-**	(82,117)
Increase (decrease) in cash	**40,390**	(37,426)
Cash, beginning of year	**935,118**	972,544
Cash, end of year	**$ 975,508**	$ 935,118

TOWN OF BENTLEY
Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2025

	Unrestricted	Reserves	Equity in Library	Equity in Tangible Capital Assets	2025	2024 Restated (Note 4)
Balance, beginning of year	$ (107,228)	$ 1,518,678	$ 39,568	$13,206,548	$14,657,566	$14,358,978
Excess of revenue over expenses	1,286,787	-	-	-	1,286,787	298,588
Transfer to reserves for future use	(11,367)	11,367	-	-	-	-
Transfer from reserves	65,000	(65,000)	-	-	-	-
Transfer from reserves for tangible capital assets	-	(324,206)	-	324,206	-	-
Current year funds used for tangible capital assets	(1,792,415)	-	-	1,792,415	-	-
Annual amortization expense	536,819	-	-	(536,819)	-	-
Asset retirement obligation accretion expense	43,446	-	-	(43,446)	-	-
Bentley Fire Department deficiency of revenue over expenses	2,526	(2,526)	-	-	-	-
Bentley Municipal Library deficiency of revenues over expenses	4,380	-	(4,380)	-	-	-
Balance, end of year (Note 13)	$ 27,948	$ 1,138,313	$ 35,188	$14,742,904	$15,944,353	$14,657,566

TOWN OF BENTLEY
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2025

	Land	Buildings	Water distribution systems	Wastewater distribution systems	Engineering structures	Machinery and equipment	Vehicles	2025	2024 Restated (Note 4)
Cost									
Beginning balance	$ 422,061	$ 4,067,331	$ 4,496,713	$10,026,350	$ 10,133,676	$ 2,004,849	$ 700,348	$ 31,851,328	$ 30,961,575
Additions	-	571,234	-	13,173	44,694	1,487,520	-	2,116,621	889,753
Ending balance	422,061	4,638,565	4,496,713	10,039,523	10,178,370	3,492,369	700,348	33,967,949	31,851,328
Accumulated amortization									
Beginning balance	-	1,874,374	3,260,867	6,252,687	4,090,819	907,879	492,846	16,879,472	16,375,966
Amortization	-	84,235	32,834	82,908	206,650	103,533	26,659	536,819	503,506
Ending balance	-	1,958,609	3,293,701	6,335,595	4,297,469	1,011,412	519,505	17,416,291	16,879,472
Net book value	$ 422,061	$ 2,679,956	$ 1,203,012	$ 3,703,928	$ 5,880,901	$ 2,480,957	$ 180,843	$ 16,551,658	$ 14,971,856
2024 net book value	$ 422,061	$ 2,192,959	$ 1,235,846	$ 3,773,661	$ 6,042,857	$ 1,096,970	$ 207,502	$ 14,971,856	

TOWN OF BENTLEY
Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2025

	Budget	**2025**	2024
Taxation			
Real property taxes	$ 1,510,919	**$ 1,540,369**	$ 1,481,293
Linear property taxes	29,702	**31,336**	29,263
	1,540,621	**1,571,705**	1,510,556
Requisitions			
Alberta School Foundation Fund	307,809	**335,797**	307,809
Lacombe Foundation	8,364	**8,750**	8,160
	316,173	**344,547**	315,969
Net municipal taxes	$ 1,224,448	**$ 1,227,158**	$ 1,194,587

TOWN OF BENTLEY
Consolidated Schedule of Government Transfers
Year Ended December 31, 2025

	Budget	**2025**	2024
Operating transfers			
Provincial Government	$ 338,078	**$ 128,878**	$ 178,878
Other Local Governments	770,024	**172,950**	153,635
Federal Government	-	**8,500**	4,200
	1,108,102	**310,328**	336,713
Capital transfers			
Provincial Government	470,918	**458,502**	476,806
Other Local Governments	-	**1,004,714**	383,717
	470,918	**1,463,216**	860,523
	$ 1,579,020	**$ 1,773,544**	$ 1,197,236

TOWN OF BENTLEY
Consolidated Schedule of Expenses by Object
Year Ended December 31, 2025

	Budget	**2025**	2024 Restated (Note 4)
Salaries, wages and benefits	$ 936,341	**$ 1,006,355**	1,067,700
Contracted and general services	871,077	**947,472**	$ 958,456
Amortization	-	**536,819**	503,506
Materials, goods and utilities	356,013	**352,550**	415,476
Transfers to local boards and agencies	182,272	**151,052**	195,394
Bank charges and short-term interest	20,000	**21,833**	21,487
Interest on long-term debt	-	**-**	1,198
Asset retirement obligation accretion	-	**43,446**	42,402
	$ 2,365,703	**$ 3,059,527**	$ 3,205,619

1. Nature of Activities

The Town of Bentley "(the Town)" is incorporated under the Municipal Government Act and carries out the administration and operation of the town.

2. New Accounting Standards and Future Accounting Pronouncements

Recently Adopted Accounting Standards

Effective January 1, 2025, the Town completed its analysis of PS3280 Asset Retirement Obligations, and recognized an asset retirement obligation in accordance with PS3280 in the current year. Management assessed the impact of the standard on prior period financial statements. The changes resulting from reporting liabilities under the new standard have been applied using the modified retroactive approach and the 2024 comparative figures have been restated as presented in Note 4.

Future Accounting Pronouncements

For the purposes of the 2027 fiscal year end, the Town will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

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

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

(b) PS 1202 Financial Statement Presentation

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

The Town has not yet adopted these two accounting standards and is currently assessing the impact of these standards on the consolidated financial statements.

3. Significant Accounting Policies

The consolidated financial statements of the Town of Bentley are the representations of management prepared in accordance with public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted are as follows:

3. Significant Accounting Policies (Continued)

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and cash flows 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. Included with the municipality are the following:

Bentley Volunteer Fire Department

Bentley Municipal 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.

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

Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

i. Revenue

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.

ii. Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

3. Significant Accounting Policies (Continued)

iii. 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.

iv. Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Areas requiring the use of significant estimates include estimated useful lives of tangible capital assets and valuation of land for resale inventory. Actual results may differ from management's best estimates as additional information becomes available in the future.

Cash

Cash includes petty cash and cash held in bank accounts.

Non-financial assets

Non-financial assets, except land for resale inventory, 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 revenue over expenses, provides the consolidated changes in net financial debt for the year. Non-financial assets consist of the following:

i. Inventory for consumption

The cost of inventories of material and supplies for consumption is estimated by management.

ii. Tangible capital assets

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

Buildings	15 to 80 years
Wastewater distribution systems	50 to 83 years
Water distribution systems	15 to 80 years
Engineering structures	30 to 45 years
Machinery and equipment	5 to 45 years
Vehicles	10 to 20 years

3. Significant Accounting Policies (Continued)

One half the amortization is calculated in the year of acquisition. No amortization is calculated in the year of disposition. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Town's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus. A change in the estimated capital tangible assets, including useful life, is accounted for prospectively, meaning the adjustment affects only the current and future periods, without restating prior period financial statements. This reflects a revision in management's judgement based on new information.

iii. 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.

iv. Prepaid expenses

Expenses paid in advance where services have not been performed or materials have not been received.

v. Land for resale inventory

Land for resale inventory is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements. Related development costs for infrastructure such as water and waste water services, roads, sidewalks and lighting are recorded as physical assets under their respective functions.

Asset Retirement Obligations

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 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.

3. Significant Accounting Policies (Continued)

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.

Employee benefit obligations

The cost of employment benefits, compensated absences and termination benefits are recorded as an expense at the time giving rise to the obligation occurs.

Trust liability - public reserve

Certain funds collected as a result of the development of land are held in trust for the purpose of developing a public park or public recreation area. The funds can also be transferred to a school board or to separate areas of land that are used for different purposes.

4. Restatement of Prior Years

The Town was required to adopt Public Sector Accounting Standard PS 3280, Asset Retirement Obligations, effective January 1, 2023. PS 3280 replaced the guidance on asset retirement obligations previously included in PS 3270 and established standards for the recognition, measurement, presentation, and disclosure of legal obligations associated with the retirement of tangible capital assets. The Town has reviewed its asset registry and recorded a liability for two asset categories where obligations exist.

1. Buildings - Asbestos abatement - The Town is legally required to perform abatement activities upon renovation or demolition of facilities where it is prevalent. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.
2. Wastewater lagoons - Decommissioning - The Town operates its wastewater collection and treatment systems under an approval from the Province of Alberta which outlines the requirements related to the retirement of wastewater treatment assets.

The changes resulting from reporting liabilities under the new standard have been applied using the modified retroactive approach and the 2024 comparative figures have been restated as follows:

4. Restatement of Prior Years (Continued)

	As Previously Stated	Adjustment	Restated
Statement of Financial Position			
Financial assets	$ 1,333,456	-	**1,333,456**
Liabilities			
Asset retirement obligation	-	1,765,308	**1,765,308**
Other liabilities	419,636	-	**419,636**
	419,636	1,765,308	**2,184,944**
Net financial assets (debt)	913,820	(1,765,308)	**(851,488)**
Non-financial assets			
Tangible capital assets	14,343,060	628,796	**14,971,856**
Other	537,198	-	**537,198**
	14,880,258	628,796	**15,509,054**
Accumulated surplus	$15,794,078	(1,136,512)	**14,657,566**

	As Previously Stated	Restatements	Restated
Statement of Operations and Changes in Accumulated Surplus			
Revenue	$ 2,575,882	-	**2,575,882**
Expenses			
Amortization	480,514	22,992	**503,506**
Asset retirement obligation accretion expense	-	42,402	**42,402**
Other expenses	2,659,711	-	**2,659,711**
	3,140,225	65,394	**3,205,619**
Other income	928,325	-	**928,325**
Excess of revenue over expenses	363,982	(65,394)	**298,588**
Accumulated surplus, beginning of year	15,430,096	(1,071,118)	**14,358,978**
Accumulated surplus, end of year	$15,794,078	(1,136,512)	**14,657,566**

The adoption of PS 3280 had no impact on the Consolidated Statement of Cash Flows.

5. Trade and other receivables

	2025	2024
Utilities receivable	$ **95,810**	88,058
Trade receivables	**81,117**	70,061
Government transfers receivable	**-**	50,000
Government sales tax receivable	**47,482**	21,698
	$ **244,409**	229,817

6. Taxes Receivable

Included in taxes receivable are current taxes and grants in lieu of taxes receivable of $128,967 (2024 - $135,079) and taxes in arrears of $7,696 (2024 - $33,442).

7. Line of Credit

The Town has an undrawn $500,000 operating line of credit, bearing interest at the bank prime rate (currently 4.45%). Collateral is provided by a general security agreement providing a first charge and security interest in and to all the Borrower’s present and after-acquired personal property.

8. Employee Benefit Obligation

Included in accounts payable is $15,263 (2024 - $23,119) of accrued vacation benefits that are being deferred to future years. Employees have earned the benefit and are entitled to use the benefit within the next fiscal year.

9. Asset Retirement Obligations	**2025**	2024
Wastewater lagoons decommissioning	**$ 1,599,269**	$ 1,560,542
Asbestos abatement	**209,485**	204,766
	$ 1,808,754	$ 1,765,308

Wastewater Lagoon

The Town operates its wastewater collection and treatment systems under an approval from the Province of Alberta, which outlines the requirements related to the retirement of wastewater treatment assets. Due to the retirement obligations as outlined in the approval, the Town has recorded a liability for the decommissioning of the lagoons. Undiscounted cash flows of $3,100,000 are expected for the decommissioning of the lagoons. The estimated total liability of $1,599,269 (2024 - $1,560,542) is based on the sum of discounted cash flows using a discount rate of 4.48% and assuming annual inflation of 1.95%.

	2025	2024
Balance, beginning of year	**$ 1,560,542**	$ 1,522,754
Accretion expense	**38,727**	37,788
Estimated total liability	**$ 1,599,269**	$ 1,560,542

Asbestos Abatement

The Town has reviewed its tangible capital assets and has 8 buildings that were constructed in a period where they may contain asbestos and, therefore, the Town is legally required to perform abatement activities upon renovation or demolition of these facilities. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are abatement costs of $353,885 as the facilities reach the end of their useful lives. The estimated total liability of $209,485 (2024 - $204,766) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.3% and assuming annual inflation of 1.95%. The Town has not designated assets for settling the abatement activities.

	2025	2024
Balance, beginning of year	**$ 204,766**	$ 200,152
Accretion expense	**4,719**	4,614
Estimated total liability	**$ 209,485**	$ 204,766

10. 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 as follows:

	2025	2024
Total debt limit	$ 3,918,963	$ 3,863,818
Amount of debt limit unused	$ 3,918,963	$ 3,863,818
Service limit of debt	$ 653,160	$ 643,970
Service on debt	-	83,315
Amount of debt servicing limit unused	$ 653,160	$ 560,655

The debt limit is calculated at 1.5 times the 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 consolidated financial statements must be interpreted as a whole.

11. Contingent Liability

The Town of Bentley is a member of the Genesis Reciprocal Insurance Exchange. Under the terms of 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 the losses are determined.

12. Land for Resale Inventory

The Town owns a subdivision with 20 lots held for resale. The lots are listed with a realtor and are ready to be sold. The lots are included in non-financial assets as it cannot be reasonably anticipated that all the lots will be sold within a one year period.

The purchase of the land for resale inventory and additional costs to get the land available for resale was funded by general operations. When the sale of these lots occur the money will replenish the cash balance held by the Town.

During the year, the Town sold 8 lots (2024 - 3 lots) with a total cost of $246,886 (2024 - $48,690) for total net proceeds of $517,342 (2024 - $116,492), resulting in a total gain of $270,456 (2024 - $67,802) recorded on Consolidated Statement of Operations and Accumulated Surplus.

13. Accumulated Surplus

	2025	2024 Restated (Note 4)
Unrestricted deficit	**$ 27,948**	$ (107,228)
Reserves		
Operating		
Operating contingencies	**48,199**	48,199
Recreation and parks	**47,985**	47,985
Community services	**42,573**	31,205
Fire department	**3,042**	5,569
Administration	**6,780**	6,780
Bike path	**3,214**	3,214
Bentley Centennial (2015)	**1,266**	1,266
	153,059	144,218
Capital		
General	**248,753**	331,388
Wastewater	**248,000**	248,000
Water and wastewater	**185,195**	185,195
Equipment replacement - public works	**157,406**	157,406
Arena upgrades	**-**	72,365
Fleet replacement - fire	**59,541**	59,541
Garbage collection equipment	**36,000**	36,000
Roads, streets and sidewalks	**29,000**	29,000
Administration	**5,565**	5,565
Soccer field	**15,794**	250,000
	985,254	1,374,460
Total reserves	**1,138,313**	1,518,678
Equity in tangible capital assets		
Tangible capital assets (page 6)	**16,551,658**	14,971,856
Asset retirement obligation	**(1,808,754)**	(1,765,308)
	14,742,904	13,206,548
Equity in Bentley Municipal Library	**35,188**	39,568
	$ 15,944,353	$ 14,657,566

14. Commitments

The Town of Bentley is a member of the Lacombe Regional Solid Waste Services Commission (the "Commission"). Members of the Commission pay a quarterly requisition calculated on a per capita basis. The Commission's estimated budget for the Town of Bentley requisitions for the year-ended December 31, 2025 is $73,830 (2024 - $73,830).

The Town of Bentley entered into an agreement with Sylvan Lake Summer Hockey Camp for Arena Operations Services commencing on January 1, 2024 and continuously thereafter until April 30, 2028. The Town is committed to an annual cost of $77,700 for the term of the agreement.

The Town of Bentley entered into an agreement with Empringham Disposal for solid waste collection services commencing on October 3, 2025, and continuously thereafter until October 2, 2029. The Town is committed to an annual cost of $41,918 in 2026, $42,765 in 2027, $43,611 for 2028, and $44,484 in 2029, for a total commitment of $172,778 for the term of the agreement.

As at December 31, 2025, the Town had no other significant commitments to report.

15. Salary and Benefits Disclosure

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

	Salary (1)	Benefits and allowances (2)	**2025 Total**	2024 Total
Councilors				
Greg Rathjen, Mayor	$ 10,918	$ 953	**$ 11,871**	$ 15,124
Pam Hansen, Mayor	8,891	1,577	**10,468**	8,565
Dale Grimsdale, Councilor	8,242	1,239	**9,481**	8,731
Lenore Eastman, Councilor	4,951	406	**5,357**	7,628
Brenda Valiquete, Councilor	4,980	17	**4,997**	7,484
Devin Davey, Councilor	2,860	970	**3,830**	-
Kristy Klinger, Councilor	2,570	879	**3,449**	-
David Rogers, Councilor	2,499	926	**3,425**	-
Marc Fortais, CAO	159,969	5,397	**165,366**	166,693
	$ 205,880	$ 12,364	**$ 218,244**	$ 214,225

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honorarium and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including health care and RRSP contributions.

16. Contractual Rights

The Town has contractual rights to franchise fees from ATCO Gas and Fortis Alberta for 12% of the gross usage charges for gas and 10% of the gross usage charges for electricity respectively each year.

17. Financial Instruments

The Town's financial instruments consist of cash, taxes receivable, trade and other receivables and accounts payable and accruals. The fair value of these financial instruments approximates their carrying value, unless otherwise noted. It is management's opinion that the Town is not exposed to significant interest, currency, market, liquidity or credit risks arising from these financial instruments except as follows:

Credit risk

The Town is exposed to credit risk with respect to taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and certain rights granted to the town under the Municipal Government Act minimizes the credit risk.

18. Budget Amounts

Council and management approved the 2025 budget for the Town of Bentley on December 10, 2024.

19. Approval of Financial Statements

Council and management have approved these financial statements.

Reconciliation of 2025 Budget to Operating Results

The Town uses a cash requirement basis in determining its annual budget. The reconciliation below is for information purposes only to provide users with supplementary comparative information. It should not be used as a replacement for the consolidated financial statements provided and users should note that this information may not be appropriate for their purposes.

	Budget	**2025**	2024
Excess of revenue over expenses per financial statements	$ 1,954,394	**$ 1,286,787**	$ 298,588
Capital expenditures			
Add: amortization expense	-	**536,819**	503,506
Add: asset retirement obligation accretion	-	**43,446**	42,402
Deduct: tangible capital assets acquired	(92,797)	**(2,116,621)**	(889,753)
Surplus (deficiency) excess of operating and capital revenues over expenditures	1,861,597	**(249,569)**	(45,257)
Capital financing			
Add: interest on long-term capital debt	1,193	**-**	1,198
Deduct: repayment of capital debt, including interest	(82,117)	**-**	(83,315)
Net (deficiency) surplus before the following	1,780,673	**(249,569)**	(127,374)
Other			
Add: transfer from operating reserves	-	**53,633**	3,167
Add (deduct): transfer (to) from capital reserves	-	**324,206**	(212,550)
Add: Bentley Municipal Library deficiency of revenues over expenses	-	**4,380**	628
Add: Bentley Fire Department deficiency of revenues over expenses	-	**2,526**	-
Increase (decrease) in unrestricted surplus	$ 1,780,673	**$ 135,176**	$ (336,129)