

VILLAGE OF CLYDE
FINANCIAL STATEMENTS
DECEMBER 31, 2008

Clews, Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

Graham R. Clews Professional Corporation
John S. Shoemaker Professional Corporation

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Tina J. Viney Professional Corporation
Timothy J. Friesen Professional Corporation

AUDITORS' REPORT

To the Mayor and Council of
the Village of Clyde:

We have audited the consolidated statement of financial position of Village of Clyde as at December 31, 2008 and the consolidated statement of financial activities, consolidated statement of changes in fund balances and the consolidated statement of changes in financial position for the year then ended. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Village of Clyde as at December 31, 2008 and the results of its financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Westlock, Alberta
February 6, 2009

Clews, Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

**VILLAGE OF CLYDE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008**

ASSETS

	<u>2008</u>	<u>2007</u>
<u>FINANCIAL ASSETS</u>		
Cash and temporary investments	\$ 117,457	\$ 83,549
Cash held for reserves	138,017	-
Cash held in trust (Note 2)	6,503	6,346
Prepaid expenses	3,570	-
Taxes and grants in place of taxes receivable (Note 3)	44,223	33,879
Trade and other receivables (Note 4)	49,554	77,725
Receivable from other governments (Note 5)	8,156	-
TOTAL FINANCIAL ASSETS	<u>367,480</u>	<u>201,499</u>
<u>PHYSICAL ASSETS</u>		
INVENTORY FOR CONSUMPTION	1,496	1,496
LAND INVENTORY HELD FOR RESALE	16,500	16,500
PROPERTY, PLANT AND EQUIPMENT (Note 6)	<u>3,904,781</u>	<u>3,872,269</u>
TOTAL PHYSICAL ASSETS	<u>3,922,777</u>	<u>3,890,265</u>
TOTAL ASSETS	<u>\$ 4,290,257</u>	<u>\$ 4,091,764</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 35,607	\$ 59,900
Deposit liabilities	7,103	8,646
Deferred revenue (Note 7)	105,345	51,545
Current portion of callable debt (Note 8)	<u>15,815</u>	<u>12,428</u>
	163,870	132,519
Callable debt due thereafter (Note 8)	<u>25,615</u>	<u>12,429</u>
	<u>189,485</u>	<u>144,948</u>

MUNICIPAL EQUITY

<u>FUND BALANCES</u>		
Operating Fund	99,404	99,404
Reserve Fund (Note 9)	<u>138,017</u>	<u>-</u>
Total Fund Balances	237,421	99,404
EQUITY IN PROPERTY, PLANT & EQUIPMENT (Note 11)	<u>3,863,351</u>	<u>3,847,412</u>
	<u>4,100,772</u>	<u>3,946,816</u>
TOTAL LIABILITIES AND MUNICIPAL EQUITY	<u>\$ 4,290,257</u>	<u>\$ 4,091,764</u>

APPROVED BY:

_____ Mayor

_____ Chief Administrative Officer

Claws, Shoemaker, Vinay & Friesen

VILLAGE OF CLYDE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	<u>Capital</u>	<u>Reserves</u>	<u>Operating</u>	<u>2008</u>	<u>Budget</u> (Unaudited)	<u>2007</u>
REVENUES						
Net Municipal Taxes	\$ -	\$ -	\$ 291,479	\$ 291,479	\$ 293,381	\$ 256,324
Penalties and cost of taxes	-	-	12,645	12,645	8,500	8,118
Provincial conditional grants	-	-	21,725	21,725	29,350	465,642
Provincial unconditional grants	-	-	57,759	57,759	1,400	14,567
User charges-Sanitary sewer	-	-	19,493	19,493	38,000	19,391
User charges-Water supply and distribution	-	-	99,877	99,877	116,600	130,899
User charges-Waste management	-	-	40,181	40,181	37,060	34,072
Franchise revenue	-	-	14,225	14,225	10,000	10,326
By-law	-	-	556	556	1,450	1,765
Development and permits	-	-	4,812	4,812	8,000	9,858
Other revenues and sundry functions	-	-	9,153	9,153	7,300	8,940
Interest earned	-	-	3,136	3,136	4,000	5,771
	-	-	<u>575,041</u>	<u>575,041</u>	<u>555,041</u>	<u>965,673</u>
EXPENDITURES						
Administration	\$ 4,116	\$ -	\$ 108,081	\$ 112,197	\$ 130,351	\$ 151,389
Ambulance services	-	-	6,204	6,204	7,545	8,625
By-law	-	-	6,854	6,854	10,250	10,391
Common services	28,397	-	7,184	35,581	9,600	24,092
Community services	-	-	1,408	1,408	1,500	2,816
Council	-	-	18,585	18,585	13,000	14,615
Family and Community Support Services	-	-	2,832	2,832	3,360	7,881
Preventative services	-	-	15,517	15,517	16,411	11,490
Recreation and parks	-	-	12,254	12,254	23,581	14,192
Roads, streets, walks, lighting	-	-	97,475	97,475	85,060	710,710
Sanitary sewage	-	-	19,052	19,052	40,425	19,671
Subdivision land and development	-	-	22,167	22,167	29,565	14,333
Waste management	-	-	28,613	28,613	26,970	30,113
Water supply and distribution	-	-	74,858	74,858	99,178	105,517
	<u>32,513</u>	-	<u>421,084</u>	<u>453,597</u>	<u>496,786</u>	<u>1,125,835</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ (32,513)	\$ -	\$ 153,957	\$ 121,444	\$ 58,255	\$ (160,163)

VILLAGE OF CLYDE
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2008

	<u>Capital</u>	<u>Reserves</u>	<u>Operating</u>	<u>2008</u>	<u>Budget</u> (Unaudited)	<u>2007</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ (32,513)	\$ -	\$ 153,957	\$ 121,444	\$ 58,256	\$ (160,163)
NET INTERFUND TRANSFERS						
Callable debt issued	29,000	-	-	29,000	-	-
Callable debt repaid	-	-	(12,427)	(12,427)	(12,408)	(12,968)
(From) to Operations	3,513	-	(3,513)	-	-	-
From (to) Reserve fund	-	138,017	(138,017)	-	(45,827)	-
	<u>32,513</u>	<u>138,017</u>	<u>(153,957)</u>	<u>16,573</u>	<u>(58,256)</u>	<u>(12,968)</u>
CHANGE IN FUND BALANCES	-	138,017	-	138,017	-	(173,131)
BALANCE, BEGINNING OF YEAR	-	-	99,404	99,404	-	272,535
BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 138,017</u>	<u>\$ 99,404</u>	<u>\$ 237,421</u>	<u>\$ -</u>	<u>\$ 99,404</u>

**VILLAGE OF CLYDE
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
OPERATIONS		
Excess of revenue over expenditures before financing activities	\$ <u>121,444</u>	\$ <u>(160,163)</u>
Net change in non-cash operating working capital balances		
(Increase) decrease in taxes and grants in place of taxes receivable	(10,344)	8,391
(Increase) decrease in receivable from other governments	(8,156)	-
(Increase) decrease in trade and other receivables	28,170	(45,470)
(Increase) decrease in inventory of materials and supplies	-	2,932
(Increase) decrease in prepaid expenses and deposits	(3,570)	-
Increase (decrease) in accounts payable and security deposits	(24,292)	40,038
Increase (decrease) in deposit liabilities	(1,542)	6,528
Increase (decrease) in deferred revenue	<u>53,800</u>	<u>51,545</u>
	<u>34,066</u>	<u>63,964</u>
	<u>155,510</u>	<u>(96,199)</u>
FINANCING		
Proceeds from long-term debt	29,000	-
Repayment of long-term debt	<u>(12,428)</u>	<u>(12,968)</u>
	<u>16,572</u>	<u>(12,968)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	172,082	(109,167)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>89,895</u>	<u>199,062</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 261,977</u>	<u>\$ 89,895</u>
REPRESENTED BY:		
Cash	\$ 400	\$ 300
Bank - Operating	117,057	83,249
Bank - Reserves	138,017	-
Trust accounts	<u>6,503</u>	<u>6,346</u>
	<u>\$ 261,977</u>	<u>\$ 89,895</u>

VILLAGE OF CLYDE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Clyde 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 Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Village of Clyde are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned by the Village that are, therefore, accountable to Council for the administration of their financial affairs and resources.

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

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

b) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

c) 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Fund Accounting

Management funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund account. Proceeds from subdivision development land sales are recorded as operating fund revenues.

VILLAGE OF CLYDE

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2008

e) Inventories

Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value with cost determined by the average cost method.

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

f) Property, Plant and Equipment

Property, Plant and Equipment are reported as expenditures in the capital fund in the period they are acquired. Property, Plant and Equipment are reported at cost except for donated assets, which are reported at estimated fair value.

Government contributions for the acquisition of Property, Plant and Equipment are reported as capital revenue and do not reduce the related asset costs.

Property, Plant and Equipment for government purposes are not amortized.

Effective January 1, 2009, the Village of Clyde will adopt Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible Property, Plant and Equipment of local governments. PSG-7 provides transitional guidance on presenting information related to tangible Property, Plant and Equipment until Section 3150 - Tangible Property, Plant and Equipment of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

As at December 31, 2008, the Village is in the process of gathering information to implement PSG-7 by the December 31, 2009 deadline. During 2009, the Village of Clyde will work toward compliance with the new recommendations for accounting for tangible Property, Plant and Equipment.

As of January 1, 2009, Property, Plant and Equipment including assets held under capital leases will be recorded at cost in the period they are acquired and recorded as an expenditure within the capital fund. Donated assets will be capitalized and recorded at their estimated fair value upon acquisition. Certain Property, Plant and Equipment for which historical cost information is not available will be recorded at current fair market value discounted by a relevant inflation factor.

g) Operating Fund

Operating fund represents the amounts available to offset future operational revenue requirements (or the shortfall which will be financed from future operational revenues).

h) Capital Fund

Capital fund represents the amounts available to finance (or the shortfall in financing available for) capital projects.

i) Reserve Fund

Reserve fund represents the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of Council. Transfers to and/or from the reserve fund are reflected as an adjustment to the respective fund.

VILLAGE OF CLYDE

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2008

j) Equity in Property, Plant and Equipment

Equity in Property, Plant and Equipment represents the Village's net investment in its Property, Plant and Equipment after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the Village.

k) Adjustments to Accumulated Surplus

Council may authorize appropriations for accumulated surplus to fund current year operating expenditures. Such appropriations are recorded as an adjustment in the Consolidated Statement of Financial Activities with Change in Fund Balances.

Adjustments related to operations of prior periods are recorded an adjustment to prior years' on the Consolidated Statement of Changes in Fund Balances.

2. CASH HELD IN TRUST

This amount consists of the excess of proceeds received over property taxes and applicable penalties owed on those properties sold for tax recovery. The Municipal Government Act requires that unpaid excess funds be held for a minimum period of ten years before the Village can use the funds for their own purposes.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2008</u>	<u>2007</u>
Current taxes and grants in place of taxes	\$ 30,653	\$ 29,972
Arrears taxes	<u>13,570</u>	<u>3,907</u>
	<u>44,223</u>	<u>33,879</u>

4. TRADE AND OTHER RECEIVABLES

	<u>2008</u>	<u>2007</u>
Trade accounts	\$ 11,980	\$ 3,905
Utility accounts	26,363	19,428
GST rebate receivable	<u>11,211</u>	<u>54,392</u>
	<u>\$ 49,554</u>	<u>\$ 77,725</u>

VILLAGE OF CLYDE

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2008

5. RECEIVABLE FROM OTHER GOVERNMENTS

	<u>2008</u>	<u>2007</u>
Alberta Health and Wellness - Ground Ambulance Services	<u>8,156</u>	<u>-</u>

6. PROPERTY, PLANT AND EQUIPMENT

	<u>2008</u>	<u>2007</u>
Land	\$ 25,421	\$ 25,421
Buildings	213,825	213,825
Engineering structures	2,913,795	2,913,795
Machinery and equipment	631,981	599,469
Vehicles	<u>119,759</u>	<u>119,759</u>
	<u>\$ 3,904,781</u>	<u>\$ 3,872,269</u>

7. DEFERRED REVENUE

	<u>2008</u>	<u>2007</u>
Alberta Municipal Sustainability Initiative - Capital Grant	99,829	43,904
Alberta Municipal Affairs and Housing - Land Use Review	<u>\$ 5,512</u>	<u>\$ 7,641</u>
	<u>\$ 105,341</u>	<u>\$ 51,545</u>

- Land use review grant received in 2007 has not yet been fully expended.

- Alberta Municipal Sustainability Initiative capital grants received in 2007 and 2008 have not yet been expended.

VILLAGE OF CLYDE

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2008

8. CALLABLE DEBT

	<u>2008</u>	<u>2007</u>
Alberta Treasury Branch loan with interest at prime; annual repayments of \$12,428 plus interest; secured by general security agreement;	\$ 12,430	\$ 24,857
Alberta Treasury Branch loan with interest at prime; annual blended repayments of \$4,400; secured by general security agreement;	<u>29,000</u>	<u>-</u>
	41,430	24,857
Less: Current portion	<u>(15,815)</u>	<u>(12,428)</u>
	<u>\$ 25,615</u>	<u>\$ 12,429</u>

Principal and interest payments for the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 15,815	\$ 1,481	\$ 17,296
2010	3,503	897	4,400
2011	3,626	774	4,400
2012	3,753	647	4,400
2013	3,884	516	4,400
Subsequent	<u>10,849</u>	<u>655</u>	<u>11,504</u>
	<u>\$ 41,430</u>	<u>\$ 4,970</u>	<u>\$ 46,400</u>

9. RESERVE FUND

	<u>2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>2008</u>
Capital Reserve	<u>-</u>	<u>138,017</u>	<u>-</u>	<u>138,017</u>

**VILLAGE OF CLYDE
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2008**

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 Village of Clyde to be disclosed as follows:

	<u>2008</u>	<u>2007</u>
Total debt limit	\$ 862,562	\$ 668,973
Total debt	<u>41,430</u>	<u>24,857</u>
Amount of debt limit unused	<u>\$ 821,132</u>	<u>\$ 644,116</u>
Debt servicing limit	\$ 143,760	\$ 111,496
Debt servicing	<u>17,296</u>	<u>13,363</u>
Amount of debt servicing limit unused	<u>\$ 126,464</u>	<u>\$ 98,133</u>

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

11. EQUITY IN PROPERTY, PLANT AND EQUIPMENT

	<u>2008</u>	<u>2007</u>
<u>Acquisition of Property, Plant and Equipment</u>		
Common service equipment	\$ 28,397	\$ -
Administration equipment	4,116	-
Roads	-	640,982
Common service vehicles	<u>-</u>	<u>18,906</u>
	<u>32,513</u>	<u>659,888</u>
<u>Disposal of property, plant & equipment (cost)</u>		
Common service vehicles	<u>-</u>	<u>4,500</u>
<u>Capital financing</u>		
Capital financing acquired	(29,000)	-
Operating fund payments on callable capital debt	<u>12,426</u>	<u>12,970</u>
	<u>(16,574)</u>	<u>12,970</u>
Change in equity balance	15,939	668,358
Equity balance at beginning of year	<u>3,847,412</u>	<u>3,179,054</u>
Equity balance at end of year	<u>\$ 3,863,351</u>	<u>\$ 3,847,412</u>
<u>Equity in capital assets is represented by:</u>		
Property, Plant and Equipment (Note 6)	\$ 3,904,781	\$ 3,872,269
Long term debt (Note 8)	<u>(41,430)</u>	<u>(24,857)</u>
	<u>\$ 3,863,351</u>	<u>\$ 3,847,412</u>

Claws, Shoemaker, Vinay & Friesen

**VILLAGE OF CLYDE
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2008**

12. 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:

	<u>Salary & Benefits</u>	<u>Mileage & Subsistence</u>	<u>2008 Total</u>	<u>2007 Total</u>
<u>Mayor</u>				
Nyal	2,700	105	2,805	5,148
<u>Councillors</u>				
Lorencz	3,150	378	3,528	600
Graves	2,050	139	2,189	400
Bottolfs	1,500	206	1,706	4,620
Lumayko	1,400	-	1,400	-
Sieben	700	-	700	2,375
Tollenaar	500	59	559	-
Jamieson	-	-	-	750
Williams	-	-	-	300
Chief Administrative Officer	19,519	-	19,519	17,233

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
3. The Chief Administrative Officer's position was outsourced to the Town of Westlock until May 31, 2008 as a part of the shared services agreement. The 2008 amounts are for the period from June 1, 2008 to December 31, 2008.

13. LOCAL AUTHORITIES PENSION PLAN

Employees of the Village of Clyde participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 133,000 people and 389 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Village of Clyde is required to make current service contributions to the LAPP of 5.525% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 7.4% on pensionable earnings above this amount. Employees of the Village of Clyde are required to make current service contributions of 4.525% of pensionable salary up to the year's maximum pensionable salary, and 6.4% on pensionable salary above this amount.

Total current service contributions by the Village of Clyde to the LAPP in 2008 were \$2,498 (2007 - \$7,602). Total current service contributions by the employees of the Village of Clyde to the Local Authorities Pension Plan in 2008 were \$2,187 (2007 - \$6,646).

At December 31, 2007, the LAPP disclosed an actuarial deficiency of \$1,288.9 million.

VILLAGE OF CLYDE

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2008

14. CONTINGENCIES

The Village of Clyde is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village of Clyde could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Village of Clyde is a member of the Westlock and District Waste Management Commission. Under the terms of this agreement, the Village is liable for its proportionate share of closure and post-closure costs associated with the landfill. Due to the uncertainty surrounding this potential liability and since the closure and post-closure costs are not determinable at this time, no amount has been recorded in the financial statements to reflect this contingency.

The Village has access to a bank line of credit of \$120,000, and a MasterCard with a \$7,000 limit.

15. COMMITMENT - OFFICE EQUIPMENT LEASE

In November 2004, the Village entered into a lease agreement for office equipment which includes a photocopier, fax machine, scanner and printer. The lease term is 60 months, with a 12 month renewal period for monthly payments of \$193. The lease has been classified as an operating lease for financial statement purposes.

16. FINANCIAL INSTRUMENTS

The Village of Clyde's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, deposit liabilities, and callable debt. It is management's opinion that the Village of Clyde is not exposed to significant interest or currency risks arising from these financial instruments.

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

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

17. BUDGET FIGURES

Budget figures are included for information purposes only and are not audited.

18. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

19. COMPARATIVE FIGURES

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

VILLAGE OF CLYDE

PROPERTY TAXES LEVIED AND EXPENDITURES BY OBJECT

YEAR ENDED DECEMBER 31, 2008

SCHEDULE 1

	<u>2008</u>	<u>Budget</u> (Unaudited)	<u>2007</u>
TAXES LEVIED	\$ 344,967	348,868	<u>309,725</u>
REQUISITIONS			
Alberta School Foundation Fund	\$ 51,735	51,735	\$ 51,237
Westlock Foundation	<u>1,752</u>	1,752	<u>2,165</u>
Total Requisitions	<u>53,487</u>	53,487	<u>53,402</u>
Net taxes for municipal operations	291,480	293,381	256,323
Less:			
Special assessments and local improvements	<u>(3,820)</u>	(3,820)	<u>(4,680)</u>
NET TAXES AVAILABLE FOR GENERAL OPERATIONS	<u>\$ 287,660</u>	\$ 293,381	<u>\$ 251,643</u>
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, wages and benefits	\$ 176,214	\$ 189,619	\$ 154,954
Contracted and general services	127,924	169,711	170,954
Materials, goods, supplies and utilities	79,703	90,720	84,241
Purchases from other governments	12,688	15,000	28,500
Transfers to local boards and agencies	22,468	23,405	29,849
Interest on long term debt	2,088	3,931	1,949
Capital asset purchases	<u>32,513</u>	4,400	<u>655,388</u>
TOTAL EXPENDITURES	<u>\$ 453,598</u>	\$ 486,736	<u>\$ 1,125,835</u>

VILLAGE OF CLYDE
UTILITY REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

SCHEDULE 2

WATER, WASTEWATER AND WASTE MANAGEMENT SERVICES

	<u>2008</u>	<u>Budget</u> (Unaudited)	<u>2007</u>
REVENUE			
Sale of water	\$ 97,737	\$ 112,000	\$ 68,492
Sale of sewer services	19,493	38,000	19,391
Sale of garbage and recycling services	40,181	40,000	34,072
Penalties	<u>2,140</u>	<u>2,000</u>	<u>2,419</u>
	159,551	191,600	124,374
EXPENDITURES			
Operations and maintenance	92,624	136,573	124,468
Regional water line expenses	<u>29,899</u>	<u>30,000</u>	<u>30,633</u>
	<u>122,523</u>	<u>166,573</u>	<u>155,101</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 37,028</u>	<u>\$ 25,027</u>	<u>\$ (30,927)</u>