

VILLAGE OF CLYDE
Financial Statements
Year Ended December 31, 2024

VILLAGE OF CLYDE
Index to Financial Statements
Year Ended December 31, 2024

	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 Expenses by Object (<i>Schedule 4</i>)	11
Schedule of Segmented Disclosure (<i>Schedule 5</i>)	12
Notes to Financial Statements	13 - 24

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Clyde is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Village's financial position as at December 31, 2024 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 that 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 principally through its Council Meetings. This 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 the Council with and without the presence of management. The Village Council has approved the financial statements.

The financial statements have been audited by Friesen Viney Stasiuk, 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.

Chief Administrative Officer

April 14, 2025

Clyde, Alberta

Financial Officer

April 14, 2025

Clyde, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Council of Village of Clyde

Opinion

We have audited the financial statements of Village of Clyde (the Village), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. (Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2024, the results of its operations and accumulated surplus, change in its net financial assets 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 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 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.

(continues)

Independent Auditor's Report to the Members of Village of Clyde (continued)

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:

- 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.

Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's Debt Limit can be found in Note 12.

The engagement partner on the audit resulting in this independent auditor's report is Tina Viney, CPA, CA.

Westlock, Alberta
April 14, 2025


FRIESEN VINEY STASIUK
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF CLYDE
Statement of Financial Position
December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 1,434,728	\$ 1,328,977
Cash held in trust (Note 3)	12,991	-
Taxes and grants in place of taxes receivable (Note 4)	73,590	69,178
Trade and other receivables (Note 5)	74,657	54,862
Receivable from other governments (Note 6)	126,014	91,503
	<u>\$ 1,721,980</u>	<u>\$ 1,544,520</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 94,234	\$ 73,989
Wages payable (Note 7)	23,740	18,728
Deposit liabilities	12,991	-
Deferred revenue (Note 11)	350,969	189,981
	<u>481,934</u>	<u>282,698</u>
NET FINANCIAL ASSETS	<u>1,240,046</u>	<u>1,261,822</u>
NON-FINANCIAL ASSETS		
Tangible/intangible capital assets (Schedule 2)	4,669,071	4,529,689
Land for resale inventory	20,579	36,809
Prepaid expenses	22,408	9,401
Inventory for consumption	2,274	2,274
	<u>4,714,332</u>	<u>4,578,173</u>
ACCUMULATED SURPLUS (Schedule 1)	<u>\$ 5,954,378</u>	<u>\$ 5,839,995</u>
CONTINGENCIES (Note 20)		

VILLAGE OF CLYDE
Statement of Operations
Year Ended December 31, 2024

	Budget (unaudited)	2024	2023
REVENUE			
Net municipal taxes(Schedule 3)	\$ 422,561	\$ 415,197	\$ 410,057
User fees and sales of goods	375,895	339,183	333,221
Government transfers for operating (Note 13)	275,901	128,421	142,293
Investment income	40,000	57,894	59,691
Other revenues and sundry functions	41,824	39,964	42,833
Penalties and costs on taxes	15,000	22,093	19,969
Licenses and permits	4,600	4,196	3,756
Total Operating Revenue	1,175,781	1,006,948	1,011,820
EXPENSES			
Legislative	57,538	48,767	40,585
Administration	524,500	347,404	377,265
Fire protection services	19,036	20,507	16,488
Bylaws enforcement	40,617	39,975	34,100
Roads, streets, walks, lighting	128,110	158,421	129,225
Water supply and distribution	146,833	114,070	123,549
Wastewater treatment and disposal	27,853	59,071	13,740
Waste management	70,196	65,748	66,720
Family and community support	17,244	13,117	9,033
Land use planning, zoning and development	64,077	22,776	33,477
Parks and recreation	67,450	67,099	62,206
Culture	2,019	2,020	2,088
Amortization of tangible/intangible capital assets (unbudgeted)	255,356	255,356	225,210
(Gain) Loss on disposal of tangible capital assets (unbudgeted)	466	466	(22,400)
Total Operating Expenses	1,421,295	1,214,797	1,111,286
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(245,514)	(207,849)	(99,466)
CAPITAL INCOME			
Provincial government transfers for capital	436,282	273,863	185,329
Federal government transfers for capital	110,351	44,587	46,888
Other grants for capital	3,881	3,782	-
	550,515	322,232	232,217
EXCESS OF REVENUE OVER EXPENSES	301,119	114,383	132,751
ACCUMULATED SURPLUS - BEGINNING OF YEAR	5,839,995	5,839,995	5,707,244
ACCUMULATED SURPLUS - END OF YEAR	\$ 6,141,114	\$ 5,954,378	\$ 5,839,995

VILLAGE OF CLYDE
Statement of Changes in Net Financial Assets
Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
EXCESS OF REVENUE OVER EXPENSES	\$ 301,119	\$ 114,383	\$ 132,751
Purchase of tangible capital assets	(592,624)	(370,204)	(355,117)
Purchase of intangible capital assets	(30,000)	(25,000)	-
Proceeds on disposal of tangible capital assets	-	-	60,000
Amortization of tangible/intangible capital assets (unbudgeted)	255,356	255,356	225,210
Loss (Gain) on disposal of tangible capital assets (unbudgeted)	466	466	(22,400)
	(366,802)	(139,382)	(92,307)
Change in inventory (unbudgeted)	-	-	(2,274)
Tax recovery property (retained) sold (unbudgeted)	16,230	16,230	(16,230)
Acquisition of prepaid expenses (unbudgeted)	(13,007)	(13,007)	(973)
	3,223	3,223	(19,477)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(62,460)	(21,776)	20,967
NET FINANCIAL ASSETS - BEGINNING OF YEAR	1,261,822	1,261,822	1,240,855
NET FINANCIAL ASSETS - END OF YEAR	\$ 1,199,362	\$ 1,240,046	\$ 1,261,822

VILLAGE OF CLYDE
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 114,383	\$ 132,751
Items not affecting cash:		
Amortization of tangible capital assets	255,356	225,210
Loss (gain) on disposal of tangible capital assets	466	(22,400)
	<u>370,205</u>	<u>335,561</u>
Changes in non-cash working capital:		
Taxes and grants in place of taxes receivable	(4,412)	3,985
Trade and other receivables	(19,795)	22,370
Receivable from other governments	(34,511)	88,057
Accounts payable and accrued liabilities	20,245	(16,783)
Wages payable	5,012	10,551
Deposit liabilities	12,991	-
Deferred revenue	160,988	24,775
Land for resale inventory	16,230	(16,230)
Prepaid expenses	(13,007)	(973)
Inventory for consumption	-	(2,274)
	<u>143,741</u>	<u>113,478</u>
Cash flow from operating activities	<u>513,946</u>	<u>449,039</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(370,204)	(355,117)
Purchase of intangible assets	(25,000)	-
Proceeds on disposal of tangible capital assets	-	60,000
Cash flow used by investing activities	<u>(395,204)</u>	<u>(295,117)</u>
Net change in cash and cash equivalents during the year	118,742	153,922
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,328,977</u>	<u>1,175,055</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,447,719</u>	<u>\$ 1,328,977</u>

Cash and cash equivalents is made up of:

Cash and temporary investments (Note 2)	\$ 1,434,728	\$ 1,328,977
Cash held in trust (Note 3)	12,991	-
	<u>\$ 1,447,719</u>	<u>\$ 1,328,977</u>

VILLAGE OF CLYDE
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended December 31, 2024
SCHEDULE 1

	Unrestricted Surplus	Operating Reserves	Capital Reserves	Equity in Tangible Capital Assets	Total 2024	
BALANCE, BEGINNING OF YEAR	\$ 89,441	\$ 170,500	\$ 1,050,365	\$ 4,529,689	\$ 5,839,995	\$
Excess (Deficiency) of revenues over expenses	114,383	-	-	-	114,383	
Unrestricted funds designated for future use	(41,082)	1,000	40,082	-	-	
Restricted funds used for operations	22,125	-	(22,125)	-	-	
Restricted funds used for tangible capital assets	-	(7,346)	(70,145)	77,491	-	
Current year funds used for tangible/intangible capital assets	(317,713)	-	-	317,713	-	
Disposal of tangible capital assets	466	-	-	(466)	-	
Annual amortization for expense	255,356	-	-	(255,356)	-	
Change in accumulated surplus	33,535	(6,346)	(52,188)	139,382	114,383	
BALANCE, END OF YEAR	\$ 122,976	\$ 164,154	\$ 998,177	\$ 4,669,071	\$ 5,954,378	\$

VILLAGE OF CLYDE
Schedule of Tangible Capital Assets
Year Ended December 31, 2024

(Schedule)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment / Intangibles	Vehicles
COST:						
BALANCE, BEGINNING OF YEAR	\$ 175,319	\$ 30,671	\$ 113,348	\$ 7,760,376	\$ 358,676	\$ 45,377
Adjustment	-	-	-	-	-	-
Acquisitions	-	-	12,625	335,169	47,410	-
Disposals	-	-	-	(3,179)	-	-
BALANCE, END OF YEAR	175,319	30,671	125,973	8,092,366	406,086	45,377
ACCUMULATED AMORTIZATION:						
BALANCE, BEGINNING OF YEAR	-	11,728	97,332	3,706,749	100,892	37,377
Adjustment	-	-	-	-	-	-
Annual amortization	-	782	2,361	236,593	15,620	-
Accumulated amortization on disposals	-	-	-	(2,713)	-	-
BALANCE, END OF YEAR	-	12,510	99,693	3,940,629	116,512	37,377
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	175,319	18,161	26,280	4,151,737	289,574	8,000

Within Machinery and Equipment are \$25,000 of intangible additions for branding and website design. Amortization expense for intangible assets for 2024 is \$1,167. Closing accumulated amortization is \$1,167.

VILLAGE OF CLYDE
Schedule of Property and Other Taxes
Year Ended December 31, 2024

(Schedule 3)

	Budget (Unaudited)	2024	2023
TAXATION			
Residential	\$ 326,752	\$ 326,753	\$ 315,847
Commercial and Linear Property Taxes	56,757	51,299	51,042
Minimum Tax Levy	38,884	37,184	35,070
Designated Industrial Property Tax	68	69	67
Alberta School Fund Foundation	86,992	86,908	95,503
Homeland Housing	21,158	21,135	21,119
	<u>530,611</u>	<u>523,348</u>	<u>518,648</u>
REQUISITIONS			
Alberta School Fund Foundation	86,892	86,993	87,508
Westlock Foundation Requisition	21,158	21,158	21,083
	<u>108,050</u>	<u>108,151</u>	<u>108,591</u>
NET MUNICIPAL TAXES	<u>\$ 422,561</u>	<u>\$ 415,197</u>	<u>\$ 410,057</u>

VILLAGE OF CLYDE
Schedule of Expenses by Object
Year Ended December 31, 2024

(Schedule 4)

	Budget (Unaudited)	2024	2023
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 391,137	\$ 392,965	\$ 350,986
Contracted and general services	454,163	259,727	244,497
Materials, goods, supplies and utilities	154,410	160,395	178,014
Purchases from other governments	142,150	127,366	120,804
Transfers to local boards and agencies	23,613	18,522	14,175
Amortization expense (unbudgeted)	255,356	255,356	225,210
Loss (gain) on disposal of tangible capital assets (unbudgeted)	466	466	(22,400)
	<u>\$ 1,421,295</u>	<u>\$ 1,214,797</u>	<u>\$ 1,111,286</u>

VILLAGE OF CLYDE
SCHEDULE OF SEGMENTED DISCLOSURE
For the Year Ended December 31, 2024
SCHEDULE 5

	General Government	Transportation Services	Water Services	Wastewater Services	Waste Management	Recreation & Culture
REVENUE:						
Net municipal taxes	\$ 415,197	\$ -	\$ -	\$ -	\$ -	\$ -
User fees and sales of goods	10,260	63,966	152,052	35,403	71,922	5,580
Government transfers	97,447	104,912	-	211,093	-	37,201
Other revenues	35,264	-	-	-	-	500
Investment income	57,894	-	-	-	-	-
Licenses and permits/penalties	23,243	-	-	-	-	-
	639,305	168,878	152,052	246,496	71,922	43,281
EXPENSES:						
Salaries & wages	260,903	42,328	24,770	9,610	4,823	49,248
Contract & general services	92,217	33,269	15,306	44,247	58,537	7,947
Materials, goods, supplies and utilities	42,836	82,825	10,707	5,214	-	8,184
Purchases from other governments	-	-	63,287	-	24,512	-
Transfers to local boards	-	-	-	-	-	3,740
	395,956	158,422	114,070	59,071	87,872	69,119
NET REVENUE, BEFORE AMORTIZATION	243,349	10,456	37,982	187,425	(15,950)	(25,838)
Amortization/Gain on disposition	5,935	180,372	34,881	24,250	-	8,446
NET REVENUE	237,414	(169,916)	3,101	163,175	(15,950)	(34,284)

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village are as follows:

a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations of the Village of Clyde.

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

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

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting 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.

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

c) Use of Estimates

The preparation of financial statements in conformity with Canadian 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 period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Management has used estimates to determine allowance for doubtful accounts, useful lives of tangible capital assets, and asset retirement obligations.

(continues)

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

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

d) Valuation of Financial Assets and Liabilities

The Village's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

e) Cash and Temporary Investments

Cash consists of cash on hand and cash kept in the bank accounts of the Village. There are no temporary investments.

f) 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.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

g) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(continues)

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

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

h) Asset Retirement

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 Village 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 as present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

At each financial reporting date, the Village reviews the carrying amount of the liability. The Village 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 Village 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.

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VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

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

i) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

i. Tangible / Intangible Capital Assets

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

Land		non-depreciable
Land improvements	14 to 25 years	straight-line method
Buildings	50 years	straight-line method
Engineered structures	15 to 75 years	straight-line method
Machinery and equipment	14 to 25 years	straight-line method
Intangible capital assets	5 and 15 years	straight-line method
Vehicles	10 to 25 years	straight-line method

One-half of the annual amortization is charged in the year of acquisition and no amortization is changed in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible / Intangible Capital Assets

Tangible / intangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue. There were no contributions of tangible / intangible capital assets in the 2024 fiscal year.

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 expense as incurred. The Village has no capital leases in the 2024 fiscal year.

iv. Inventories

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

v. Cultural and Historical Tangible Capital Assets

The Village has a Cenotaph which has not been recorded as a tangible capital asset.

(continues)

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

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

j) Deferred Revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when the revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

k) Inventories for Resale

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 levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

l) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the Village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to the 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.

m) 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.

n) 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.

o) Cloud Computing Arrangements

(continues)

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

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

On January 1, 2024 the Village adopted the new AcG-20, Customer's Accounting for Cloud Computing arrangements, which provides indications on the accounting treatment for expenses related to a customer's cloud computing arrangement and whether there is a software intangible asset in the arrangement. On inception of a cloud computing arrangement, the Commission has elected to recognize the expenses related to such arrangements under the simplification measure. These expenses are treated as a supply of services and recognized as the Commission receives the services. Implementation costs were and continue to be expensed as incurred.

The total amount expensed for cloud computing arrangements in 2024 was \$4,888 (2023 - \$1,625).

p) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2024, the Village will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently.

Conceptual Frameworks for Financial Reporting

The conceptual framework is the foundation for principles-based audits. It is a coherent set of interrelated objectives and fundamentals leading to consistent standards or application of consistent concepts in the absence of specific standards.

Financial Statement Presentation

PS1202, *Financial Statement Presentation*, will replace PS1201 and set out the general and specific requirements of the presentation of financial information and is based on the concepts in the conceptual framework.

2. CASH AND TEMPORARY INVESTMENTS

Included in cash and temporary investments are restricted amounts of \$265,162 (2023 - \$136,251) that consists of grant monies held exclusively for future projects. *(Note 11)*

The Village does not have any temporary investments at December 31, 2024.

3. CASH HELD IN TRUST

Cash held in trust 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 its own purposes.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2024	2023
Taxes and grants in place of taxes receivable	\$ 55,505	\$ 65,183
Arrears taxes	18,085	3,995
	\$ 73,590	\$ 69,178

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

5. TRADE AND OTHER RECEIVABLES

	2024	2023
Utilities receivable	\$ 41,086	\$ 26,954
GST rebate receivable	19,503	19,909
Trade accounts receivable	14,068	7,999
	\$ 74,657	\$ 54,862

6. RECEIVABLE FROM OTHER GOVERNMENTS

	2024	2023
Canada Community Building Fund Grant	\$ 74,177	\$ 50,000
Alberta Municipal Water/Wastewater Partnership Grant	51,837	41,503
	\$ 126,014	\$ 91,503

7. WAGES PAYABLE

Wages payable are comprised of accrued wages paid in January 2025, and overtime and accrued vacation that was deferred to the following year, in addition to \$11,282 (2023-\$6,388) in source deduction remittances paid subsequent to year-end.

8. FINANCIAL INSTRUMENTS

The Village 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 Village's risk exposure and concentration as of December 31, 2024.

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Village is exposed to credit risk from customers. In order to reduce its credit risk, the Village utilizes sound collection policies. The Village has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. the Village is exposed to this risk mainly in respect of its receipts of funds from its customers and other related sources, and the ability to pay its accounts payable amounts as they come due.

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

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

9. CONTAMINATED SITES LIABILITY

The Village has adopted PS3260 - Liability for Contaminated Sites. It is management's opinion that the Village currently does not have any financial liabilities that fall under this standard.

Management continues to assess for contaminated sites liabilities on an ongoing basis.

10. ASSET RETIREMENT OBLIGATIONS

The Village has adopted PS3280 - Asset Retirement Obligations. Is it management's opinion that the Village currently does not have any retirement obligation liabilities that meet the requirements of this standard.

Management continues to assess for asset retirement obligations on an ongoing basis.

11. DEFERRED REVENUE

	2024	2023
Local Government Fiscal Framework	\$ 133,463	\$ -
Alberta Community Partnership - Regional Water Infrastructure Study	131,699	136,251
Canada Community Building Fund	66,362	36,174
Prepaid property taxes	8,684	9,213
Prepaid utilities	6,655	5,093
Land sale deposits	3,250	3,250
Camping fees deposit	856	-
	\$ 350,969	\$ 189,981

The Local Government Fiscal Framework and Canada Community Building Fund grants are to be utilized for government approved capital projects. Amounts are recognized as revenue as the funds are spent and approved by the Province.

The Village of Clyde is the managing partner on a regional water infrastructure study. An Alberta Community Partnership grant of \$200,000 has been awarded to pay for the study. In 2023, \$150,000 of grant dollars were received, \$18,635 was spent and \$4,886 in interest was accrued on the unspent dollars. In 2024, a further \$10,559 was spent and \$6,007 in interest accrued.

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

12. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Village of Clyde be disclosed as follows:

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 1,510,422	\$ 1,517,730
Total debt	-	-
Amount of debt limit unused	<u>1,510,422</u>	<u>1,517,730</u>
Debt servicing limit	251,737	252,955
Debt servicing	-	-
Amount of debt servicing limit unused	<u>\$ 251,737</u>	<u>\$ 252,955</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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.

13. GOVERNMENT TRANSFERS FOR OPERATING

	<u>2024</u>	<u>2023</u>
Provincial Government	\$ 126,969	\$ 107,373
Federal Government	<u>1,452</u>	<u>34,920</u>
	<u>\$ 128,421</u>	<u>\$ 142,293</u>

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Tangible capital assets (<i>Schedule 2</i>)	\$ 8,875,792	\$ 8,483,767
Accumulated amortization (<i>Schedule 2</i>)	<u>(4,206,721)</u>	<u>(3,954,078)</u>
	<u>\$ 4,669,071</u>	<u>\$ 4,529,689</u>

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

15. ACCUMULATED SURPLUS (Schedule 1)

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

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$ 122,976	\$ 89,441
Restricted surplus		
<i>Operating reserves</i>	164,154	170,500
<i>Capital reserves</i>	998,177	1,050,365
Equity in tangible capital assets	<u>4,669,071</u>	<u>4,529,689</u>
	<u>\$ 5,954,378</u>	<u>\$ 5,839,995</u>

16. SEGMENTED DISCLOSURE

The Village of Clyde provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 5).

General government includes council and other legislative, and general administration. Transportation includes roads, streets, walks, and lighting. Recreation and culture includes parks and recreation, and contributions to libraries. Other includes bylaw enforcement, police, fire, land use planning, zoning and subdivision land and development.

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

17. 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/ Contract Cost ¹	Benefits & allowances ²	2024 Total	2023 Total
Councillors:				
Aguirre - Mayor	\$ 9,600	\$ -	\$ 9,600	\$ 9,550
Cruise Irwin	6,600	-	6,600	6,550
Dillman	6,600	-	6,600	550
Moore	6,600	-	6,600	6,550
Strembesky	6,600	-	6,600	3,850
Petkau	-	-	-	4,900
Sydia	-	-	-	1,600
Chief Administrative Officer (employee)	101,094	15,960	117,054	106,937
Designated Officers-2 (2023-3)	54,804	7,044	61,848	56,560
	\$ 191,898	\$ 23,004	\$ 214,902	\$ 197,047

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

Chief Administrative Officer Salary includes \$9,011 in vacation and banked time payout as approved by Council.

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.

Councillors of the Village of Clyde do not receive any benefits or allowances as indicated above.

18. 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 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 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount. Employees of the Village of Clyde are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current service contributions by the Village of Clyde to the LAPP in 2024 were \$19,906 (2023 - \$18,603). Total current service contributions by the employees of the Village of Clyde to LAPP in 2024 were \$17,651 (2023 - \$16,500).

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.057 billion.

VILLAGE OF CLYDE
Notes to Financial Statements
Year Ended December 31, 2024

19. RELATED PARTY TRANSACTIONS

The following is a summary of the municipality's related party transactions:

	<u>2024</u>	<u>2023</u>
Westlock Regional Water Services Commission		
Administration fee revenue	\$ 34,224	\$ 33,888
Water purchased	(63,286)	(63,365)
	<u>\$ (29,062)</u>	<u>\$ (29,477)</u>
Westlock Regional Waste Management Commission		
Landfill usage expense	\$ (16,718)	\$ (15,866)
Residence fee	(7,849)	(7,840)
	<u>\$ (24,567)</u>	<u>\$ (23,706)</u>
Amounts due (to) from related parties (reported in accounts payable and accrued liabilities)		
Westlock Regional Water Services Commission-December water	\$ (4,906)	\$ (5,346)
Westlock Regional Waste Management Commission (2023 - refund less December commercial tippage)	(3,964)	1,955
	<u>\$ (8,870)</u>	<u>\$ (3,391)</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

20. 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. At December 31, 2023, the Commission has accrued \$522,831 (2023 - \$488,088) for its asset retirement obligation. At December 31, 2024, The Commission has \$7,583 (2023 - \$3,500) in a bank account to cover this liability.

The Village has access to a bank line of credit with a limit of \$300,000 and a MasterCard with a \$10,000 limit.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.