

**VILLAGE OF CLYDE**  
**Financial Statements**  
**Year Ended December 31, 2023**

**VILLAGE OF CLYDE**  
**Index to Financial Statements**  
**Year Ended December 31, 2023**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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, 2023 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 8, 2024

Clyde, Alberta



Financial Officer

April 8, 2024

Clyde, Alberta

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## INDEPENDENT AUDITOR'S REPORT

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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, 2023, 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, 2023, 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.

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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 8, 2024



FRIESEN VINEY STASIUK  
CHARTERED PROFESSIONAL ACCOUNTANTS



**VILLAGE OF CLYDE**  
**Statement of Financial Position**  
**December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 1,328,977	\$ 1,175,055
Taxes and grants in place of taxes receivable (Note 4)	69,178	73,163
Trade and other receivables (Note 5)	54,862	77,232
Receivable from other governments (Note 6)	91,503	179,560
	<u>\$ 1,544,520</u>	<u>\$ 1,505,010</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 80,377	\$ 90,772
Wages payable (Note 7)	12,340	8,177
Deferred revenue (Note 11)	189,981	165,206
	<u>282,698</u>	<u>264,155</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,261,822</u>	<u>1,240,855</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	4,529,689	4,437,382
Land for resale inventory	36,809	20,579
Prepaid expenses	9,401	8,428
Inventory for consumption	2,274	-
	<u>4,578,173</u>	<u>4,466,389</u>
<b>ACCUMULATED SURPLUS (Schedule 1)</b>	<u>\$ 5,839,995</u>	<u>\$ 5,707,244</u>
<b>CONTINGENCIES (Note 20)</b>		

**VILLAGE OF CLYDE**  
**Statement of Operations**  
**Year Ended December 31, 2023**

	Budget (unaudited)	2023	2022
<b>REVENUE</b>			
Net municipal taxes(Schedule 3)	\$ 409,989	\$ 410,057	\$ 377,549
User fees and sales of goods	372,942	333,221	320,028
Government transfers for operating (Note 13)	309,908	142,293	45,334
Investment income	20,000	59,691	28,274
Other revenues and sundry functions	41,288	42,833	43,819
Penalties and costs on taxes	15,000	19,969	15,273
Licenses and permits	4,250	3,756	7,748
<b>Total Operating Revenue</b>	<b>1,173,377</b>	<b>1,011,820</b>	<b>838,025</b>
<b>EXPENSES</b>			
Legislative	51,338	40,585	44,994
Administration	579,348	377,265	293,361
Fire protection services	20,991	16,488	17,981
Bylaws enforcement	34,360	34,100	29,621
Roads, streets, walks, lighting	121,217	129,225	127,151
Water supply and distribution	136,707	123,549	118,507
Wastewater treatment and disposal	21,787	13,740	13,781
Waste management	70,470	66,720	60,740
Family and community support	20,244	9,033	5,855
Land use planning, zoning and development	84,277	33,477	24,388
Parks and recreation	61,747	62,206	44,158
Culture	2,088	2,088	1,699
Amortization of tangible capital assets (unbudgeted)	225,210	225,210	247,355
(Gain) Loss on disposal of tangible capital assets (unbudgeted)	(22,400)	(22,400)	7,515
<b>Total Operating Expenses</b>	<b>1,407,384</b>	<b>1,111,286</b>	<b>1,037,106</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(234,007)</b>	<b>(99,466)</b>	<b>(199,081)</b>
<b>CAPITAL INCOME</b>			
Provincial government transfers for capital	393,670	185,329	328,115
Federal government transfers for capital	114,160	46,888	52,254
Other grants for capital	-	-	2,500
	<b>507,831</b>	<b>232,217</b>	<b>382,869</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>273,823</b>	<b>132,751</b>	<b>183,788</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>5,707,244</b>	<b>5,707,244</b>	<b>5,523,456</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 5,981,067</b>	<b>\$ 5,839,995</b>	<b>\$ 5,707,244</b>

**VILLAGE OF CLYDE**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2023**

	Budget (Unaudited)	2023	2022
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 273,823</b>	<b>\$ 132,751</b>	<b>\$ 183,788</b>
Purchase of tangible capital assets	(717,174)	(355,117)	(504,106)
Proceeds on disposal of tangible capital assets	63,000	60,000	11,412
Amortization of tangible capital assets (unbudgeted)	225,210	225,210	247,355
Loss (Gain) on disposal of tangible capital assets (unbudgeted)	(22,400)	(22,400)	7,515
	(451,364)	(92,307)	(237,824)
Change in inventory (unbudgeted)	(2,274)	(2,274)	-
Tax recovery property retained (2022- purchase land held for resale) (unbudgeted)	(16,230)	(16,230)	(11,700)
Use (acquisition) of prepaid expenses (unbudgeted)	(973)	(973)	2,997
	(3,247)	(19,477)	(8,703)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(180,788)</b>	<b>20,967</b>	<b>(62,739)</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>1,240,855</b>	<b>1,240,855</b>	<b>1,303,594</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 1,060,067</b>	<b>\$ 1,261,822</b>	<b>\$ 1,240,855</b>

**VILLAGE OF CLYDE**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 132,751	\$ 183,788
Items not affecting cash:		
Amortization of tangible capital assets	225,210	247,355
Loss (gain) on disposal of tangible capital assets	(22,400)	7,515
	<u>335,561</u>	<u>438,658</u>
Changes in non-cash working capital:		
Taxes and grants in place of taxes receivable	3,985	(14,786)
Trade and other receivables	22,370	(10,805)
Receivable from other governments	88,057	(177,560)
Accounts payable and accrued liabilities	(10,395)	(25,222)
Wages payable	4,163	(2,047)
Deferred revenue	24,775	(32,464)
Land for resale inventory	(16,230)	(11,700)
Prepaid expenses	(973)	2,997
Inventory for consumption	(2,274)	-
	<u>113,478</u>	<u>(271,587)</u>
Cash flow from operating activities	<u>449,039</u>	<u>167,071</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(355,117)	(504,106)
Proceeds on disposal of tangible capital assets	60,000	11,412
Cash flow used by investing activities	<u>(295,117)</u>	<u>(492,694)</u>
<b>Net change in cash and cash equivalents during the year</b>	<b>153,922</b>	<b>(325,623)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>1,175,055</u></b>	<b><u>1,500,678</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 1,328,977</u></b>	<b><u>\$ 1,175,055</u></b>

**VILLAGE OF CLYDE**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2023**  
**SCHEDULE 1**

	Unrestricted Surplus	Operating Reserves	Capital Reserves	Equity in Tangible Capital Assets	Total 2023	Total 2022
BALANCE, BEGINNING OF YEAR	\$ 67,694	\$ 159,500	\$ 1,042,668	\$ 4,437,382	\$ 5,707,244	\$ 5,523,456
Excess (Deficiency) of revenues over expenses	132,751	-	-	-	132,751	183,788
Unrestricted funds designated for future use	(60,866)	8,042	52,824	-	-	-
Restricted funds used for tangible capital assets	-	-	(42,169)	42,169	-	-
Current year funds used for tangible capital assets	(312,948)	-	-	312,948	-	-
Disposal of tangible capital assets	37,600	-	-	(37,600)	-	-
Annual amortization expense	225,210	-	-	(225,210)	-	-
Change in accumulated surplus	21,747	8,042	10,655	92,307	132,751	183,788
BALANCE, END OF YEAR	\$ 89,441	\$ 167,542	\$ 1,053,323	\$ 4,529,689	\$ 5,839,995	\$ 5,707,244

**VILLAGE OF CLYDE**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2023**  
**(Schedule 2)**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 175,319	\$ 25,502	\$ 113,348	\$ 7,538,009	\$ 284,504	\$ 45,377	\$ 8,182,059	\$ 7,752,607
Adjustment	-	-	-	28,701	(6,486)	-	22,215	-
Acquisitions	-	5,669	-	198,790	150,658	-	355,117	504,106
Disposals	-	(500)	-	(5,124)	(70,000)	-	(75,624)	(75,654)
BALANCE, END OF YEAR	175,319	30,671	113,348	7,760,376	358,676	45,377	8,483,767	8,181,059
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	11,578	95,287	3,474,158	127,047	36,607	3,744,677	3,553,049
Adjustment	-	-	-	22,215	-	-	22,215	-
Annual amortization	-	650	2,045	215,500	6,245	770	225,210	247,355
Accumulated amortization on disposals	-	(500)	-	(5,124)	(32,400)	-	(38,024)	(55,727)
BALANCE, END OF YEAR	-	11,728	97,332	3,706,749	100,892	37,377	3,954,078	3,744,677
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	175,319	18,943	16,016	4,053,627	257,784	8,000	4,529,689	4,436,382

**VILLAGE OF CLYDE**  
**Schedule of Property and Other Taxes**  
*(Schedule 3)*  
**Year Ended December 31, 2023**

	Budget (Unaudited)	2023	2022
<b>TAXATION</b>			
Residential	\$ 315,846	\$ 315,847	\$ 305,296
Commercial and Linear Property Taxes	51,042	51,042	45,791
Minimum Tax Levy	35,070	35,070	34,261
Designated Industrial Property Tax	67	67	64
Alberta School Fund Foundation	95,503	95,503	74,746
Westlock Foundation	21,119	21,119	18,363
	518,647	518,648	478,521
<b>REQUISITIONS</b>			
Alberta School Fund Foundation	87,508	87,508	82,573
Westlock Foundation Requisition	21,083	21,083	18,399
	108,591	108,591	100,972
<b>NET MUNICIPAL TAXES</b>	<b>\$ 410,056</b>	<b>\$ 410,057</b>	<b>\$ 377,549</b>

**VILLAGE OF CLYDE**  
**Schedule of Expenses by Object**  
*(Schedule 4)*  
**Year Ended December 31, 2023**

	Budget (Unaudited)	2023	2022
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 365,570	\$ 350,986	\$ 290,860
Contracted and general services	526,146	244,497	233,962
Materials, goods, supplies and utilities	149,213	178,014	129,797
Purchases from other governments	135,963	120,804	117,891
Transfers to local boards and agencies	27,682	14,175	9,726
Amortization expense (unbudgeted)	225,210	225,210	247,355
Loss (gain) on disposal of tangible capital assets (unbudgeted)	(22,400)	(22,400)	7,515
	<u>\$ 1,407,384</u>	<u>\$ 1,111,286</u>	<u>\$ 1,037,106</u>

**VILLAGE OF CLYDE**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**For the Year Ended December 31, 2023**  
**SCHEDULE 5**

	General Government	Transportation Services	Water Services	Wastewater Services	Waste Management	Recreation & Culture	Other	Total
<b>REVENUE:</b>								
Net municipal taxes	\$ 410,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,057
User fees and sales of goods	10,694	52,467	159,851	36,827	70,849	2,533	-	333,221
Government transfers	138,093	150,116	-	75,124	-	11,177	-	374,510
Other revenues	34,786	-	-	-	-	5,500	2,547	42,833
Investment income	59,691	-	-	-	-	-	-	59,691
Licenses and permits/penalties	19,969	-	-	-	-	-	3,756	23,725
	673,290	202,583	159,851	111,951	70,849	19,210	6,303	1,244,037
<b>EXPENSES:</b>								
Salaries & wages	250,043	35,679	8,741	4,858	4,813	46,472	380	350,986
Contract & general services	106,239	11,007	40,776	4,891	71,597	3,579	6,408	244,497
Materials, goods, supplies and utilities	61,567	82,538	10,667	3,991	-	9,599	9,652	178,014
Purchases from other governments	-	-	63,365	-	23,706	-	33,733	120,804
Transfers to local boards	-	-	-	-	-	4,645	9,530	14,175
	417,849	129,224	123,549	13,740	100,116	64,295	59,703	908,476
<b>NET REVENUE, BEFORE AMORTIZATION</b>	255,441	73,359	36,302	98,211	(29,267)	(45,085)	(53,400)	335,561
Amortization/Gain on disposition	5,620	134,029	34,567	20,459	-	7,702	433	202,810
<b>NET REVENUE</b>	249,821	(60,670)	1,735	77,752	(29,267)	(52,787)	(53,833)	132,751

**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**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.

**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

*(continues)*

**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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

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) 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.

h) 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 and 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.

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**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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

**ii. Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue. There were no contributions of tangible capital assets in the 2023 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 2023 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)*

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**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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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.

*(continues)*

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**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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

o) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2023, the Village will continue to assess the impact and prepare for the adoption of these standards.

PS 3400, Revenue, establishes standards on how to account for an report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). this standard is applicable for fiscal years beginning on or after April 1, 2023.

PSG-8, Purchased Intangibles, allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2023.

PS3160, Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use. This standard is applicable for fiscal years beginning on or after April 1, 2023.

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2. CASH AND TEMPORARY INVESTMENTS

Included in cash and temporary investments are restricted amounts of \$136,251 (2022 - \$102,132) that consists of grant monies held exclusively for future projects. *(Note 11)*

The Village does not have any temporary investments at December 31, 2023.

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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. The Village did not hold any cash in trust at December 31, 2023.

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4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2023	2022
Taxes and grants in place of taxes receivable	\$ 65,183	\$ 58,418
Arrears taxes	3,995	14,745
	<u>\$ 69,178</u>	<u>\$ 73,163</u>

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**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**5. TRADE AND OTHER RECEIVABLES**

	2023	2022
Utilities receivable	\$ 26,954	\$ 37,632
GST rebate receivable	19,909	26,975
Trade accounts receivable	7,999	12,625
	<u>\$ 54,862</u>	<u>\$ 77,232</u>

**6. RECEIVABLE FROM OTHER GOVERNMENTS**

	2023	2022
Canada Community Building Fund Grant	\$ 50,000	\$ 50,000
Alberta Municipal Water/Wastewater Partnership Grant	41,503	128,944
Canada Community Revitalization Fund Grant	-	616
	<u>\$ 91,503</u>	<u>\$ 179,560</u>

**7. WAGES PAYABLE**

Wages payable are comprised of accrued wages paid in January 2024, and overtime and accrued vacation that was deferred to the following year.

**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 County's risk exposure and concentration as of December 31, 2023.

*(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.

**9. CONTAMINATED SITES LIABILITY**

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

**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**10. ASSET RETIREMENT OBLIGATIONS**

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

**11. DEFERRED REVENUE**

	2023	2022
Alberta Community Partnership - Regional Water Infrastructure Study	\$ 136,251	\$ -
Canada Community Building Fund	36,174	56,005
Basic Municipal Transportation Grant	-	63,908
Alberta Community Partnership - Intermunicipal Collaboration Grant	-	29,640
Alberta Municipal Sustainability Initiative-Capital Grant	-	2,280
Alberta Municipal Water/Wastewater Partnership Grant	-	299
Prepaid property taxes	9,213	4,989
Prepaid utilities	5,093	4,835
Land sale deposits	3,250	3,250
	<u>\$ 189,981</u>	<u>\$ 165,206</u>

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. This has left \$136,251 to be utilized when the study is completed in 2024.

The Basic Municipal Transportation Grant, Canada Community Building Fund, and Alberta Municipal Sustainability Initiative - Capital Grant 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 was the managing partner on the Collaboration requirements between the Village of Clyde and Westlock County. In 2021, The Alberta Community Partnership - Intermunicipal Collaboration Grant was not spent by the deadline and was set to be repaid to the Province of Alberta. Hence, the unutilized amount was recorded as an accounts payable amount for financial statement presentation purposes. In 2022 approval was obtained to carry the unused grant forward. In 2023 the grant was used to fund an additional \$14,470 in expenditures. The remaining \$15,151 was repaid to the Province of Alberta.

The Alberta Municipal Water/Wastewater Partnership Grant deferred revenue is to be utilized for lagoon rehabilitation. The project has carried on into 2023 and is anticipated to be completed in 2024. No deferred revenues are held for this grant at year-end.

**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**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:

	2023	2022
Total debt limit	\$ 1,517,730	\$ 1,257,038
Total debt	-	-
Amount of debt limit unused	<u>1,517,730</u>	<u>1,257,038</u>
Debt servicing limit	252,955	209,506
Debt servicing	-	-
Amount of debt servicing limit unused	<u>\$ 252,955</u>	<u>\$ 209,506</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**

	2023	2022
Provincial Government	\$ 107,373	\$ 45,334
Federal Government	<u>34,920</u>	<u>-</u>
	<u>\$ 142,293</u>	<u>\$ 45,334</u>

**14. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2023	2022
Tangible capital assets ( <i>Schedule 2</i> )	\$ 8,483,767	\$ 8,182,059
Accumulated amortization ( <i>Schedule 2</i> )	<u>(3,954,078)</u>	<u>(3,744,677)</u>
	<u>\$ 4,529,689</u>	<u>\$ 4,437,382</u>

**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**15. ACCUMULATED SURPLUS (Schedule 1)**

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

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	\$ 89,441	\$ 67,694
Restricted surplus		
<i>Operating reserves</i>	167,542	159,500
<i>Capital reserves</i>	1,053,323	1,042,668
Equity in tangible capital assets	<u>4,529,689</u>	<u>4,437,382</u>
	<u>\$ 5,839,995</u>	<u>\$ 5,707,244</u>

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**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.

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**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**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 <sup>1</sup>	Benefits & allowances <sup>2</sup>	2023 Total	2022 Total
Councillors:				
Aguirre - Mayor	\$ 9,550	\$ -	\$ 9,550	\$ 9,000
Cruise Irwin	6,550	-	6,550	3,250
Dillman	550	-	550	-
Moore	6,550	-	6,550	6,000
Petkau	4,900	-	4,900	6,000
Strembesky	3,850	-	3,850	-
Sydia	1,600	-	1,600	6,000
Chief Administrative Officer (employee)	88,350	18,587	106,937	66,395
Chief Administrative Officer (contractor)	-	-	-	23,000
Designated Officers-3 (2022-4)	47,108	9,452	56,560	85,059
	<b>\$ 169,008</b>	<b>\$ 28,039</b>	<b>\$ 197,047</b>	<b>\$ 204,704</b>

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.

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 12.23% 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 11.23% on pensionable salary above this amount.

Total current service contributions by the Village of Clyde to the LAPP in 2023 were \$18,603 (2022 - \$14,364). Total current service contributions by the employees of the Village of Clyde to LAPP in 2023 were \$16,500 (2022 - \$12,734).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 billion.

**VILLAGE OF CLYDE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**19. RELATED PARTY TRANSACTIONS**

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

	<u>2023</u>	<u>2022</u>
Westlock Regional Water Services Commission		
Administration fee revenue	\$ 33,888	\$ 33,720
Water purchased	<u>(63,365)</u>	<u>(67,182)</u>
	<u>\$ (29,477)</u>	<u>\$ (33,462)</u>
Westlock Regional Waste Management Commission		
Landfill usage expense	\$ (15,866)	\$ (19,470)
Residence fee	<u>(7,840)</u>	<u>(7,840)</u>
	<u>\$ (23,706)</u>	<u>\$ (27,310)</u>
Amounts due (to) from related parties (reported in accounts payable and accrued liabilities)		
Westlock Regional Water Services Commission-December water	\$ (5,346)	\$ (6,320)
Westlock Regional Waste Management Commission-refund less December commercial tippage	<u>1,955</u>	<u>(746)</u>
	<u>\$ (3,391)</u>	<u>\$ (7,066)</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.

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**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 \$488,088 (2022 - \$454,276) for its asset retirement obligation. The Commission does not have any investments to cover the liability.

The Village has access to a bank line of credit with a limit of \$310,000 and a MasterCard with a \$10,000 limit.

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**21. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

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