

VILLAGE OF ROCKYFORD

Non-Consolidated Financial Statements

For the year ended December 31, 2024

VILLAGE OF ROCKYFORD
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For the year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Village of Rockyford

Qualified Opinion

We have audited the accompanying non-consolidated financial statements of the Village of Rockyford which comprise the non-consolidated statement of financial position as at December 31, 2024, and the non-consolidated statements of operations, remeasurement gains and losses, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the village as at December 31, 2024, and its results of operations, remeasurement gains and losses, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Village has not adopted the accounting standard PS 3280 Asset Retirement Obligations, which constitutes a departure from Canadian public sector accounting standards. As a result, we were unable to determine whether any adjustments might be necessary to tangible capital assets, asset retirement obligations, and accumulated surplus as at December 31, 2024, or to revenue and expenses for the year then ended.

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 the ethical requirements that are relevant to our audit of the non-consolidated 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

INDEPENDENT AUDITOR'S REPORT, continued

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 company 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.

Lethbridge, Alberta

April 9, 2025



Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Rockyford is responsible for the preparation, accuracy, objectivity and integrity of the accompanying non-consolidated financial statements and all other information contained within this Financial Report. Management believes that the non-consolidated financial statements present fairly the Village's financial position as at December 31, 2024 and the results of its operations for the yearend then ended.

The non-consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The non-consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the non-consolidated 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 non-consolidated financial statements.

The Village Council carries out its responsibilities for review of the non-consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Audit Committee with and without the presence of management. The Village Council has approved the non-consolidated financial statements.

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


Village Administrator

VILLAGE OF ROCKYFORD
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Financial assets | | |
| Cash and temporary investments (note 2) | \$ 637,875 | \$ 851,289 |
| Taxes and grants in place of taxes receivable (note 3) | 226,882 | 180,075 |
| Trade and other receivables (note 4) | 719,662 | 430,130 |
| Land held for resale | 455,306 | 86,051 |
| Investments (note 5) | 1,839 | 1,839 |
| | <u>2,041,564</u> | <u>1,549,384</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 73,990 | 109,267 |
| Deferred revenue (note 6) | 815,727 | 675,644 |
| Long-term debt (note 7) | 646,709 | 399,338 |
| | <u>1,536,426</u> | <u>1,184,249</u> |
| Net financial assets | <u>505,138</u> | <u>365,135</u> |
| Non-financial assets | | |
| Prepaid expenses | 1,572 | 363 |
| Inventory for consumption | 18,717 | 20,008 |
| Tangible capital assets (schedule 2) | 22,558,386 | 23,187,125 |
| | <u>22,578,675</u> | <u>23,207,496</u> |
| Accumulated surplus | | |
| Accumulated operating surplus (note 8 and schedule 1) | 23,083,813 | 23,572,631 |
| Accumulated remeasurement gains (losses) | - | - |
| | <u>\$ 23,083,813</u> | <u>\$ 23,572,631</u> |

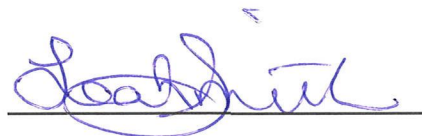
Commitments and contingencies (note 18)

Approved on behalf of Council:

Councillor



Councillor



VILLAGE OF ROCKYFORD
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2024

| | Budget (unaudited) | 2024 | 2023 |
|---|-----------------------|---------------|---------------|
| Revenue | | | |
| Net municipal property taxes (note 11) | \$ 377,656 | \$ 385,700 | \$ 371,054 |
| User fees and sales of goods | 419,261 | 409,166 | 383,605 |
| Government transfers for operating (note 12) | 64,860 | 134,410 | 64,862 |
| Investment income | 38,000 | 33,248 | 39,615 |
| Penalties and costs of taxes | 39,500 | 38,876 | 41,445 |
| Licenses and permits | 5,550 | 6,676 | 5,837 |
| Gain on disposal of tangible capital assets | - | - | 5,170 |
| Franchise and concession contracts | 53,000 | 58,473 | 51,436 |
| Other | 97,026 | 129,813 | 120,096 |
| | 1,094,853 | 1,196,362 | 1,083,120 |
| Expenses (note 13) | | | |
| General government | | | |
| Legislative | 30,250 | 23,831 | 31,242 |
| Administration | 211,041 | 181,087 | 208,195 |
| Protective services | | | |
| Police | 17,246 | 16,871 | 11,497 |
| Fire | 184,399 | 192,329 | 252,113 |
| Ambulance services and first aid | 3,160 | 3,160 | 3,160 |
| Transportation services | | | |
| Common and equipment pool | 98,811 | 84,085 | 91,922 |
| Roads, streets, walks and lighting | 145,102 | 156,862 | 140,079 |
| Storm sewers and drainage | 1,050 | 1,034 | 1,005 |
| Environmental use and protection | | | |
| Water supply and distribution | 933,670 | 976,186 | 928,638 |
| Wastewater treatment and disposal | 36,231 | 31,820 | 33,320 |
| Waste management | 46,323 | 49,702 | 42,114 |
| Public health and welfare | | | |
| Family and community support services | 2,836 | 2,836 | 2,806 |
| Cemeteries and crematoriums | - | 2,044 | 200 |
| Planning and development | | | |
| Land use planning, zoning and development | 14,000 | 14,335 | 6,100 |
| Community services and tourism | 2,700 | 1,625 | 8,022 |
| Land, housing and building rentals | 24,050 | 33,059 | 41,434 |
| Recreation and culture | | | |
| Parks and recreation | 49,368 | 75,495 | 81,221 |
| Culture - libraries, museums, halls | 7,200 | 7,141 | 7,107 |
| | 1,807,437 | 1,853,502 | 1,890,175 |
| Deficiency of revenue over expenses before capital revenue | (712,584) | (657,140) | (807,055) |
| Capital revenue | | | |
| Government transfers for capital (note 12) | 164,776 | 168,322 | 277,275 |
| Deficiency of revenue over expenses | (547,808) | (488,818) | (529,780) |
| Accumulated operating surplus, beginning of year | 23,572,631 | 23,572,631 | 24,102,411 |
| Accumulated operating surplus, end of year | \$ 23,024,823 | \$ 23,083,813 | \$ 23,572,631 |

VILLAGE OF ROCKYFORD
NON-CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended December 31, 2024

| | 2024 | 2023 |
|--|------|------|
| Accumulated remeasurement gains (losses), beginning of year | \$ - | \$ - |
| Unrealized gains (losses) attributable to: | | |
| Equity investments | - | - |
| Amounts reclassified to statements of operations: | | |
| Equity investments realized gains | - | - |
| Net remeasurement gains (losses) for the year | - | - |
| Accumulated remeasurement gains (losses), end of year | \$ - | \$ - |

VILLAGE OF ROCKYFORD
NON-CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2024

| | Budget (Unaudited) | 2024 | 2023 |
|---|-----------------------|--------------|--------------|
| Deficiency of revenue over expenses | \$ (547,808) | \$ (488,818) | \$ (529,780) |
| Acquisition of tangible capital assets | (455,776) | (111,765) | (294,151) |
| Amortization of tangible capital assets | 740,505 | 740,505 | 737,740 |
| Net loss on disposal of tangible capital assets | - | - | 44,552 |
| Proceeds on disposal of tangible capital assets | - | - | 15,000 |
| | 284,729 | 628,740 | 503,141 |
| Net change in inventory for consumption | - | 1,291 | - |
| Net change in prepaid expense | - | (1,210) | (363) |
| Increase in net financial assets | (263,079) | 140,003 | (27,002) |
| Net financial assets, beginning of year | 365,135 | 365,135 | 392,137 |
| Net financial assets, end of year | \$ 102,056 | \$ 505,138 | \$ 365,135 |

VILLAGE OF ROCKYFORD
NON-CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2024

| | 2024 | 2023 |
|--|--------------|--------------|
| Operating transactions | | |
| Deficiency of revenue over expenses | \$ (488,818) | \$ (529,780) |
| Adjustments for items which do not affect cash | | |
| Loss on disposal of tangible capital assets | - | 44,552 |
| Amortization of tangible capital assets | 740,505 | 737,740 |
| | 251,687 | 252,512 |
| Net change in non-cash working capital items | | |
| Taxes and grants in place of taxes receivable | (46,807) | 101,375 |
| Trade and other receivables | (289,532) | (9,598) |
| Land held for resale | (369,255) | (16,936) |
| Inventory for consumption | 1,290 | - |
| Prepaid expenses | (1,210) | (363) |
| Accounts payable and accrued liabilities | (35,277) | 22,410 |
| Deferred revenue | 140,083 | (255,023) |
| Cash applied to (provided by) operating transactions | (349,021) | 94,377 |
| Capital transactions | | |
| Proceeds on disposal of tangible capital assets | - | 15,000 |
| Acquisition of tangible capital assets | (111,765) | (294,151) |
| Cash applied to capital transactions | (111,765) | (279,151) |
| Investing transactions | | |
| Change in patronage reserve equity | - | (316) |
| Financing transactions | | |
| Proceeds of long-term debt | 300,000 | - |
| Repayment of long-term debt | (52,628) | (39,128) |
| Cash provided by (applied to) financing transactions | 247,372 | (39,128) |
| Decrease in cash and temporary investments | (213,414) | (224,218) |
| Cash and temporary investments, beginning of year | 851,289 | 1,075,507 |
| Cash and temporary investments, end of year | \$ 637,875 | \$ 851,289 |

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies

The non-consolidated financial statements of the Village of Rockyford 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 non-consolidated financial statements do not include the assets, liabilities, revenue and expenses of Wheatland Regional Corporation which is owned partly by the Village; however, the details regarding transactions with these entities are disclosed in the notes.

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/goods provided or the tangible capital assets are acquired.

(c) Land held for resale

Land held for resale is recorded at the lower of cost and 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 waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.

(d) Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

- (e) **Deferred revenue**
Deferred revenue 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 revenue recognition criteria have been met.
- (f) **Long-term debt**
Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.
- (g) **Contaminated sites liability**
Contaminated sites are a result of contamination being introduced into 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.
- (h) **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:

| | Years |
|-------------------------|-------|
| Buildings | 50 |
| Engineered structures | 15-75 |
| Machinery and equipment | 10-25 |
| Vehicles | 10-25 |

A full year of amortization is charged in the year of acquisition and no amortization 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 also are recorded as revenue.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(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 expenses as incurred.

(iv) Inventories

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

(v) Cultural and historical tangible capital assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

(i) Valuation of financial assets and liabilities

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

| Financial statement component | Measurement |
|--|--|
| Cash | Cost and amortized cost |
| Temporary investments | Amortized cost |
| Trade and other receivables | Lower of cost or net recoverable value |
| Investments | Fair value and amortized cost |
| Accounts payable and accrued liabilities | Cost |
| Deposit liabilities | Cost |
| Bank indebtedness and long-term debt | Amortized cost |

(j) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expense 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.

(k) 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 an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(l) 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.

(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) 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.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

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

(o) Future change in accounting policy

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.

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

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of the specific standards. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

b) PS 1202 Financial Statement Presentation

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. Cash and temporary investments

| | 2024 | 2023 |
|-----------------------|-------------------|-------------------|
| Cash | \$ 351,014 | \$ 65,887 |
| Temporary investments | 286,861 | 785,402 |
| | <u>\$ 637,875</u> | <u>\$ 851,289</u> |

Temporary investments are comprised of T-bill savings accounts with interest rates earning an average of 4.9% (2023 - 3.6%).

3. Taxes and grants in place of taxes receivables

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Taxes and grants in place of taxes receivable | \$ 19,748 | \$ 18,030 |
| Arrears | 207,134 | 162,045 |
| | <u>\$ 226,882</u> | <u>\$ 180,075</u> |

4. Trade and other receivables

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Wheatland Regional Corporation (note 20) | \$ 262,656 | \$ 233,090 |
| Local Government Fiscal Framework | 233,729 | - |
| Canada Community Building Fund | 123,012 | 50,000 |
| Rockyford Rural Fire Association | 62,920 | 49,332 |
| GST | 29,106 | 8,536 |
| Rockyford Agricultural Society | 8,239 | 16,684 |
| MSI Capital | - | 72,488 |
| | <u>\$ 719,662</u> | <u>\$ 430,130</u> |

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

5. Investments

| | 2024 | | 2023 | |
|---|----------------|--------------|----------------|--------------|
| | Carrying value | Market value | Carrying value | Market value |
| Patronage reserves - cost | \$ 1,837 | \$ 1,837 | \$ 1,837 | \$ 1,837 |
| Utility corporation share investment - cost | 2 | 2 | 2 | 2 |
| | \$ 1,839 | \$ 1,839 | \$ 1,839 | \$ 1,839 |

The Village purchased 25 class B common shares in Wheatland Regional Corporation (WRC) for 25% ownership in the amount of \$2.50. WRC was formed in partnership with the Villages of Rockyford, Hussar, Standard, and Wheatland County. WRC is responsible for distribution of water to residents in the partnership municipalities.

Unrealized gains on equity instruments carried at fair value of \$0 (2023 - \$0) have been recognized in the statement of remeasurement gains and losses.

Investment income recognized in the statement of operations includes \$33,248 (2023 - \$39,615) of interest income.

6. Deferred revenue

| | 2024 | 2023 |
|--|------------|------------|
| Canada Community Building Fund (CCBF) | \$ 394,379 | \$ 332,329 |
| Local Government Fiscal Framework (LGFF) - Capital | 233,729 | - |
| Wheatland County Infrastructure Services Program (CRISP) | 143,681 | 192,655 |
| Municipal Sustainability Initiative (MSI) - Capital | 38,298 | 146,685 |
| Services not yet provided | 3,015 | 2,150 |
| Prepaid cemetery lots | 2,625 | 1,825 |
| | \$ 815,727 | \$ 675,644 |

Deferred revenue is comprised of the funds noted above, the use of which, together with any earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

Local Government Fiscal Framework

Funding in the amount of \$295,967 was received in the current year from the Local Government Fiscal Framework. Of the \$295,967 received, \$233,729 is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement. The remaining \$62,238 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

7. Long-term debt

| | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| Utility supported debenture - capital | \$ 313,853 | \$ 326,587 |
| Self-supported debenture - operating | 288,185 | - |
| Tax supported debenture - capital | 44,671 | 72,751 |
| | <u>\$ 646,709</u> | <u>\$ 399,338</u> |
| Current portion | <u>\$ 67,076</u> | <u>\$ 40,813</u> |

Principal and interest repayments are due as follows:

| | Principal | Interest | Total |
|------------|-------------------|-------------------|-------------------|
| 2025 | \$ 67,076 | \$ 25,460 | \$ 92,536 |
| 2026 | 54,521 | 22,411 | 76,932 |
| 2027 | 40,986 | 20,342 | 61,328 |
| 2028 | 42,769 | 18,559 | 61,328 |
| 2029 | 44,633 | 16,695 | 61,328 |
| Thereafter | 396,724 | 151,779 | 548,503 |
| | <u>\$ 646,709</u> | <u>\$ 255,246</u> | <u>\$ 901,955</u> |

Debenture debt is repayable to the Province of Alberta and bears interest at rates ranging from 3.192% to 4.88% per annum and matures in periods 2026 through 2042. The average annual interest rate is 4.27% for 2024 (3.97% for 2023).

Debenture debt is issued on the credit and security of the Village at large.

Interest on long-term debt amounted to \$20,771 (2023 - \$13,849).

The Village's total cash payments for interest in 2024 were \$20,771 (2023 - \$15,136).

8. Accumulated operating surplus

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

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Unrestricted surplus | \$ 802,558 | \$ 771,601 |
| Internally restricted reserves (note 9) | 81,393 | 13,243 |
| Equity in tangible capital assets (note 10) | 22,199,862 | 22,787,787 |
| | <u>\$ 23,083,813</u> | <u>\$ 23,572,631</u> |

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

9. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

Police funding reserve

This reserve funds will be used to fund the future payments for the RCMP requisition.

Fire funding reserve

This reserve funds will be used in the future for fire equipment purchases.

| | 2024 | 2023 |
|------------------------|-----------|-----------|
| Operating | | |
| Police funding reserve | \$ 11,321 | \$ 13,243 |
| Fire funding reserve | 70,072 | - |
| | \$ 81,393 | \$ 13,243 |

10. Equity in tangible capital assets

| | 2024 | 2023 |
|---------------------------------------|---------------|---------------|
| Tangible capital assets (schedule 2) | \$ 30,755,209 | \$ 30,643,443 |
| Accumulated amortization (schedule 2) | (8,196,823) | (7,456,318) |
| Long-term debt (note 7) | (646,709) | (399,338) |
| Operating debt (note 7) | 288,185 | - |
| | \$ 22,199,862 | \$ 22,787,787 |

11. Net municipal property taxes

| | Budget (unaudited) | 2024 | 2023 |
|---|-----------------------|------------|------------|
| Net municipal taxes (after requisitions) | | | |
| Real property taxes | \$ 300,704 | \$ 309,091 | \$ 294,785 |
| Business property taxes | 67,722 | 67,722 | 67,857 |
| Linear property taxes | 2,753 | 2,753 | 2,770 |
| Designated industrial property taxes | 6,477 | 6,134 | 5,642 |
| | 377,656 | 385,700 | 371,054 |
| Requisitions | | | |
| Alberta School Foundation Fund | 87,900 | 87,900 | 85,916 |
| Wheatland Housing | 11,000 | 2,074 | 2,871 |
| | \$ 98,900 | \$ 89,974 | \$ 88,787 |

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

12. Government transfers

| | Budget (unaudited) | 2024 | 2023 |
|---------------------------------|-----------------------|------------|------------|
| Transfers for operating: | | | |
| Local government | \$ - | \$ 70,072 | \$ - |
| Provincial government | 62,237 | 62,238 | 62,237 |
| Federal government | 2,623 | 2,100 | 2,625 |
| | 64,860 | 134,410 | 64,862 |
| Transfers for capital: | | | |
| Other local government | 143,776 | 157,360 | 227,647 |
| Provincial government | 21,000 | 10,962 | 49,628 |
| | 164,776 | 168,322 | 277,275 |
| | \$ 229,636 | \$ 302,732 | \$ 342,137 |

13. Expenses by object

| | Budget (unaudited) | 2024 | 2023 |
|---|-----------------------|--------------|--------------|
| Salaries, wages and benefits | \$ 236,159 | \$ 210,214 | \$ 243,924 |
| Contracted and general services | 571,827 | 612,030 | 587,397 |
| Materials, goods and utilities | 185,750 | 196,899 | 193,490 |
| Bank charges and short term interest | 1,250 | 1,362 | 1,503 |
| Interest on long term debt | 15,136 | 20,771 | 13,849 |
| Other expenditures | 5,500 | 5,968 | 13,173 |
| Transfers to local boards and agencies | 51,310 | 65,753 | 49,377 |
| Amortization of tangible capital assets | 740,505 | 740,505 | 737,740 |
| Loss on disposal of tangible capital assets | - | - | 49,722 |
| | \$ 1,807,437 | \$ 1,853,502 | \$ 1,890,175 |

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

14. Debt limits and debt servicing limit

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village be disclosed as follows:

| | 2024 | 2023 |
|----------------------|---------------------|---------------------|
| Total debt limit | \$ 1,794,542 | \$ 1,966,151 |
| Total debt | 646,709 | 399,338 |
| | <u>\$ 1,147,833</u> | <u>\$ 1,566,813</u> |
| Debt servicing limit | \$ 299,090 | \$ 327,692 |
| Debt servicing | 92,536 | 54,264 |
| | <u>\$ 206,554</u> | <u>\$ 273,428</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 which 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.

15. Salary and benefits disclosure

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

| | (1) Salary | (2) Benefits & allowances | 2024 | 2023 |
|----------------------------------|---------------|---------------------------------|----------|----------|
| Council | | | | |
| Burke, Darcy | \$ 6,688 | \$ 284 | \$ 6,972 | \$ 9,115 |
| Smith, Leah | 4,500 | 134 | 4,634 | 4,780 |
| Goodfellow, William | 1,325 | - | 1,325 | 1,781 |
| Henke, Tyler | 875 | - | 875 | 1,661 |
| Geeraert, April | 888 | - | 888 | 918 |
| Chief Administrative Officer (1) | 56,288 | 4,068 | 60,356 | 73,047 |
| Designated Officer (1) | \$ 5,494 | \$ - | \$ 5,494 | - |

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

(2) Benefits and allowances include the 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.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

15. Salary and benefits disclosure, continued

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

16. Segmented disclosure

The Village 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 3).

17. Budget amounts

The 2024 budget for the Village was approved by Council and has been reported in the non-consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the non-consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

The approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

| | |
|---|--------------|
| Budgeted deficit per financial statements | \$ (547,808) |
| Less: Capital expenditures | (455,776) |
| Long-term debt repayments | (39,128) |
| Add: Amortization | 740,505 |
| Proceeds on long term-debt | 300,000 |
| Transfer from reserves | 2,294 |
| <hr/> | |
| Equals: Budgeted surplus | \$ 87 |

18. Commitments and contingencies

The Village of Rockyford is a member of the Alberta Municipal Insurance Exchange (MUNIX) which provides liability insurance. The investment in this program is not reflected as an asset in the accompanying financial statements. Under the terms of membership, the Village 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.

VILLAGE OF ROCKYFORD
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

19. Contaminated sites liability

The Village has adopted PS3260 liability for contaminated sites. The Village did not identify any financial liabilities in 2024 (2023 - nil) as a result of this standard.

20. Related party transactions

During the year the Village entered into the following transactions with Wheatland Regional Corporation (WRC):

- (a) The WRC charges the Village to make water available for distribution at the water connect point per cubic meter and for the water operator's services based on manpower per hour.
- (b) The WRC signed an Operation and Service Agreement with the Village on July 19, 2023 regarding the water and waste water treatment and distribution. The WRC will bill the residents of Rockyford and remit fees for water, sewer, garbage and debentures to the Village based on approved rates from 2024.
- (c) This resulted in \$357,249 (2023 - \$363,108) of expenses paid to the WRC for water operator services, usage of water at the water connect point, repairs/maintenance and capital expenditures to water lines.
- (d) Included in accounts receivable is \$262,656 (2023- \$233,090) due from WRC. The funds advanced are non-interest bearing and have no specific terms of repayment.
- (e) Included in accounts payable is \$19,998 (2023 - \$27,278) due to WRC.
- (f) As at December 31, 2024, the Village has ownership of part of the water treatment plant and related water line infrastructure. The Government of Canada and Government of Alberta has approved multiple cost-shared grant funding agreements for the water treatment plant upgrade and waterline to various municipalities. The agreements stipulate the Village of Rockyford is to retain ownership of the assets for 5 years after the agreement end date for each project. Upon expiration of the agreements, the assets will be transferred to the WRC.

21. Financial instruments

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Village is not exposed to significant interest or currency risk arising from these financial instruments.

The Village is subject to credit risk with respect to taxes and grants in place of taxes receivables 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. At year-end, 51% (2023 - 91%) of the outstanding taxes receivable balance relates to one taxpayer.

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

22. Approval of financial statements

These financial statements were approved by Council and Management.

VILLAGE OF ROCKYFORD
SCHEDULES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of changes in accumulated operating surplus

Schedule 1

| | Unrestricted | Restricted reserves | Equity in tangible capital assets | 2024 | 2023 |
|--|-------------------|---------------------|-----------------------------------|----------------------|----------------------|
| Balance, beginning of year | \$ 771,601 | \$ 13,243 | \$ 22,787,787 | \$ 23,572,631 | \$ 24,102,411 |
| Deficiency of revenue over expenses | (488,818) | - | - | (488,818) | (529,780) |
| Unrestricted funds designated for future use | (70,072) | 70,072 | - | - | - |
| Restricted funds used for operations | 1,922 | (1,922) | - | - | - |
| Current year funds used for tangible capital assets | (111,766) | - | 111,766 | - | - |
| Amortization of tangible capital assets | 740,505 | - | (740,505) | - | - |
| Long-term debt related to tangible capital assets repaid | (40,814) | - | 40,814 | - | - |
| Change in accumulated surplus | 30,957 | 68,150 | (587,925) | (488,818) | (529,780) |
| Balance, end of year | \$ 802,558 | \$ 81,393 | \$ 22,199,862 | \$ 23,083,813 | \$ 23,572,631 |

VILLAGE OF ROCKYFORD
SCHEDULES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of tangible capital assets

Schedule 2

| | Land | Buildings | Engineered structures | Machinery and equipment | Vehicles | 2024 | 2023 |
|----------------------------------|------------------|-------------------|--------------------------|----------------------------|-------------------|----------------------|----------------------|
| Cost: | | | | | | | |
| Balance, beginning of year | \$ 80,696 | \$ 689,275 | \$ 27,793,406 | \$ 656,410 | \$ 1,423,658 | \$ 30,643,444 | \$ 30,599,948 |
| Acquisitions | - | - | 48,973 | 62,792 | - | 111,765 | 294,151 |
| Disposals | - | - | - | - | - | - | (250,656) |
| Balance, end of year | 80,696 | 689,275 | 27,842,379 | 719,202 | 1,423,658 | 30,755,209 | 30,643,443 |
| Accumulated amortization: | | | | | | | |
| Balance, beginning of year | - | 300,862 | 6,011,290 | 434,631 | 709,535 | 7,456,318 | 6,909,682 |
| Annual amortization | - | 18,573 | 643,933 | 21,915 | 56,084 | 740,505 | 737,740 |
| Disposals | - | - | - | - | - | - | (191,104) |
| Balance, end of year | - | 319,435 | 6,655,223 | 456,546 | 765,619 | 8,196,823 | 7,456,318 |
| Net book value | \$ 80,696 | \$ 369,840 | \$ 21,187,156 | \$ 262,656 | \$ 658,039 | \$ 22,558,386 | \$ 23,187,125 |
| 2023 net book value | \$ 80,696 | \$ 388,413 | \$ 21,782,116 | \$ 221,778 | \$ 714,122 | \$ 23,187,125 | |

VILLAGE OF ROCKYFORD
SCHEDULE TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of segmented disclosure

Schedule 3

| | General government | Protective services | Transportation services | Environmental services | Public health services | Planning and development | Recreation and culture | Total |
|--|-----------------------|------------------------|----------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|--------------|
| Revenue | | | | | | | | |
| Net municipal property taxes | \$ 385,700 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 385,700 |
| User fees and sales of goods | 1,110 | - | - | 330,084 | - | - | 77,972 | 409,166 |
| Government transfers for operating | 62,238 | 70,072 | - | - | - | - | 2,100 | 134,410 |
| Investment income | 33,248 | - | - | - | - | - | - | 33,248 |
| Penalties and costs of taxes | 38,876 | - | - | - | - | - | - | 38,876 |
| Licenses and permits | - | 6,401 | - | - | - | 275 | - | 6,676 |
| Franchise and concession contracts | 58,473 | - | - | - | - | - | - | 58,473 |
| Other | 7,718 | 63,920 | 25 | - | 4,000 | 54,150 | - | 129,813 |
| | 587,363 | 140,393 | 25 | 330,084 | 4,000 | 54,425 | 80,072 | 1,196,362 |
| Expenses | | | | | | | | |
| Salaries, wages and benefits | 115,908 | 24,537 | 63,442 | - | - | - | 6,327 | 210,214 |
| Contracted and general services | 73,643 | 60,992 | 25,878 | 439,742 | - | 10,549 | 1,226 | 612,030 |
| Materials, goods and utilities | 7,100 | 46,984 | 44,568 | 27,975 | 2,044 | 30,500 | 37,728 | 196,899 |
| Bank charges and short term interest | 1,362 | - | - | - | - | - | - | 1,362 |
| Interest on long term debt | - | - | 3,127 | 10,324 | - | 7,320 | - | 20,771 |
| Other expenditures | 167 | 2,151 | - | - | - | 650 | 3,000 | 5,968 |
| Transfers to local boards and agencies | - | 19,648 | - | 19,782 | 2,836 | - | 23,487 | 65,753 |
| Amortization of tangible capital assets | 6,737 | 58,048 | 104,966 | 559,886 | - | - | 10,868 | 740,505 |
| | 204,917 | 212,360 | 241,981 | 1,057,709 | 4,880 | 49,019 | 82,636 | 1,853,502 |
| Excess (deficiency) of revenue over expenses before capital revenue | 382,446 | (71,967) | (241,956) | (727,625) | (880) | 5,406 | (2,564) | (657,140) |
| Other | | | | | | | | |
| Government transfers for capital | - | 108,387 | 48,973 | 10,962 | - | - | - | 168,322 |
| Excess (deficiency) of revenue over expenses | \$ 382,446 | \$ 36,420 | \$ (192,983) | \$ (716,663) | \$ (880) | \$ 5,406 | \$ (2,564) | \$ (488,818) |