

VILLAGE OF ROCKYFORD

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 consolidated financial statements of the Village of Rockyford which comprise the consolidated statement of financial position as at December 31, 2024, and the 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 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 new 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 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 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 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in

INDEPENDENT AUDITOR'S REPORT, continued

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 consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Village's financial position as at December 31, 2024 and the results of its operations for the year then ended.

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

The 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 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 consolidated financial statements.

The Village Council is responsible for ensuring that management fulfils its responsibilities for the financial statements. Council carries out its responsibility principally through the committee of the whole. Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters. The Village Council has approved the consolidated financial statements.

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

The 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 consolidated financial statements.



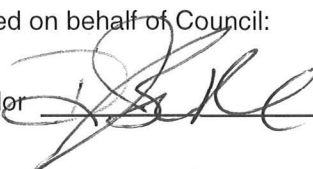
Village Administrator

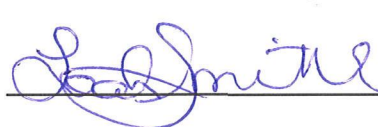
VILLAGE OF ROCKYFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
Financial assets		
Cash and temporary investments (note 2)	\$ 867,795	\$ 1,029,197
Taxes and grants in place of taxes receivable (note 3)	226,882	180,075
Trade and other receivables (note 4)	704,420	413,640
Land held for resale	455,306	86,051
Investments (note 5)	1,837	1,837
	2,256,240	1,710,800
Liabilities		
Accounts payable and accrued liabilities	79,141	107,374
Deferred revenue (note 6)	872,793	732,826
Long-term debt (note 7)	652,488	406,398
Other liabilities	15,005	13,080
	1,619,427	1,259,678
Net financial assets	636,813	451,122
Non-financial assets		
Prepaid expenses	1,572	363
Inventory for consumption	18,717	20,008
Tangible capital assets (schedule 2)	25,529,115	26,241,646
	25,549,404	26,262,017
Accumulated surplus		
Accumulated operating surplus (note 8 and schedule 1)	26,186,217	26,713,139
Accumulated remeasurement gains (losses)	-	-
	\$ 26,186,217	\$ 26,713,139

Commitments and contingencies (note 18)

Approved on behalf of Council:

Councillor 

Councillor 

VILLAGE OF ROCKYFORD
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	677,325	601,775	621,482
Government transfers for operating (note 12)	64,862	134,410	64,862
Investment income	39,363	44,281	48,856
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	-	-	5,204
Franchise and concession contracts	53,000	58,473	51,436
Other	97,026	129,813	120,096
	1,354,282	1,400,004	1,330,272
Expenses (note 13)			
General government			
Legislative	30,252	23,830	31,243
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	1,262,018	1,217,933	1,201,979
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
	2,135,787	2,095,248	2,163,517
Deficiency of revenue over expenses before capital revenue	(781,505)	(695,244)	(833,245)
Capital revenue			
Government transfers for capital (note 12)	164,776	168,322	277,275
Deficiency of revenue over expenses	(616,729)	(526,922)	(555,970)
Accumulated operating surplus, beginning of year	26,713,139	26,713,139	27,269,109
Accumulated operating surplus, end of year	\$ 26,096,410	\$ 26,186,217	\$ 26,713,139

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

	Budget (Unaudited)	2024	2023
Deficiency of revenue over expenses	\$ (616,729)	\$ (526,922)	\$ (555,970)
Acquisition of tangible capital assets	(468,950)	(111,765)	(309,674)
Amortization of tangible capital assets	829,296	824,296	821,531
Net loss on disposal of tangible capital assets	-	-	44,518
Proceeds on disposal of tangible capital assets	-	-	23,000
	360,346	712,531	579,375
Net change in inventory for consumption	-	1,291	-
Net change in prepaid expense	-	(1,209)	(363)
Increase in net financial assets	(256,383)	185,691	23,042
Net financial assets, beginning of year	451,122	451,122	428,080
Net financial assets, end of year	\$ 194,739	\$ 636,813	\$ 451,122

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

	2024	2023
Operating transactions		
Deficiency of revenue over expenses	\$ (526,922)	\$ (555,970)
Adjustments for items which do not affect cash		
Loss on disposal of tangible capital assets	-	44,518
Amortization of tangible capital assets	824,296	821,531
	297,374	310,079
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(46,807)	101,375
Trade and other receivables	(290,780)	(9,496)
Land held for resale	(369,255)	(16,936)
Inventory for consumption	1,291	-
Prepaid expenses	(1,209)	(363)
Accounts payable and accrued liabilities	(28,233)	18,174
Deferred revenue	139,967	(199,148)
Other liabilities	1,925	(6,191)
Cash applied to (provided by) operating transactions	(295,727)	197,494
Capital transactions		
Proceeds on disposal of tangible capital assets	-	23,000
Acquisition of tangible capital assets	(111,765)	(309,674)
Cash applied to capital transactions	(111,765)	(286,674)
Investing transactions		
Change in patronage reserve equity	-	(317)
Financing transactions		
Proceeds of long-term debt	300,000	7,904
Repayment of long-term debt	(53,910)	(39,972)
Cash provided by (applied to) financing transactions	246,090	(32,068)
Decrease in cash and temporary investments	(161,402)	(121,565)
Cash and temporary investments, beginning of year	1,029,197	1,150,762
Cash and temporary investments, end of year	\$ 867,795	\$ 1,029,197

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

1. Significant accounting policies

The 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 consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Council for the administration of their financial affairs and resources. These financial statements include the proportionate ownership of the Wheatland Regional Corporation.

Taxes levied also includes requisitions for educational, health care, 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) 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.

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

1. Significant accounting policies, continued

(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.

(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 the site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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

1. Significant accounting policies, continued

(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.

(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.

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

1. Significant accounting policies, continued

(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.

(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.

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

1. Significant accounting policies, continued

(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 2025, 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.

2. Cash and temporary investments

	2024	2023
Cash	\$ 580,934	\$ 243,795
Temporary investments	286,861	785,402
	<u>\$ 867,795</u>	<u>\$ 1,029,197</u>

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

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

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
Local Government Fiscal Framework (LGFF) - Capital	\$ 233,729	\$ -
Wheatland Regional Corporation	196,986	174,818
Canada Community Building Fund (CCBF)	123,012	50,000
Rockyford Rural Fire Association	62,920	49,332
Trade receivables	43,751	37,554
GST	35,783	12,764
Rockyford Agricultural Society	8,239	16,684
Municipal Sustainability Initiative (MSI) - Capital	-	72,488
	<u>\$ 704,420</u>	<u>\$ 413,640</u>

5. Investments

	2024		2023	
	Carrying value	Market value	Carrying value	Market value
Patronage reserves - cost	\$ 1,837	\$ 1,837	\$ 1,837	\$ 1,837

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 \$44,281 (2023 - \$48,856) of interest income.

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

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
Wheatland County - Water for Life	56,056	56,054
Municipal Sustainability Initiative (MSI) - Capital	38,298	146,685
Services not yet provided	4,025	3,278
Prepaid cemetery lots	2,625	1,825
	<u>\$ 872,793</u>	<u>\$ 732,826</u>

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 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 debentures - capital	44,672	72,751
Long term debt - capital	5,778	7,060
	<u>\$ 652,488</u>	<u>\$ 406,398</u>
Current portion	<u>\$ 68,376</u>	<u>\$ 42,095</u>

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2025	\$ 68,376	\$ 25,537	\$ 93,913
2026	55,841	22,469	78,310
2027	42,325	20,380	62,705
2028	44,129	18,577	62,706
2029	45,091	16,697	61,788
Thereafter	396,726	151,779	548,505
	<u>\$ 652,488</u>	<u>\$ 255,439</u>	<u>\$ 907,927</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.

Long-term debt is repayable to Royal Bank of Canada and bears interest at rate of 1.49% per annum. Security pledged consists of a vehicle with a proportionate carrying value of \$12,418.

Interest on long-term debt amounted to \$20,868 (2023 - \$13,924).

The Village's total cash payments for interest in 2024 were \$20,868 (2023 - \$15,211).

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

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	\$ 935,012	\$ 864,648
Internally restricted reserves (note 9)	86,393	13,243
Equity in tangible capital assets (note 10)	25,164,812	25,835,248
	<u>\$ 26,186,217</u>	<u>\$ 26,713,139</u>

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.

Capital equipment reserve

This reserve funds will be used in the future for Wheatland Regional Corporation's equipment purchases.

	2024	2023
Operating		
Police funding reserve	\$ 11,321	\$ 13,243
Fire funding reserve	70,072	-
	<u>81,393</u>	<u>13,243</u>
Capital		
Capital equipment reserve	5,000	-
	<u>\$ 86,393</u>	<u>\$ 13,243</u>

10. Equity in tangible capital assets

	2024	2023
Tangible capital assets (schedule 2)	\$ 33,986,402	\$ 33,874,637
Accumulated amortization (schedule 2)	(8,457,287)	(7,632,991)
Long-term debt (note 7)	(652,488)	(406,398)
Operating debt (note 7)	288,185	-
	<u>\$ 25,164,812</u>	<u>\$ 25,835,248</u>

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

11. Net municipal property taxes

	Budget (unaudited)	2024	2023
Net municipal taxes (after requisitions)			
Real property taxes	\$ 300,704	\$ 309,091	\$ 294,785
Linear property taxes	67,722	67,722	67,857
Business taxes	2,753	2,753	2,770
Government grants in place of 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

12. Government transfers

	Budget (unaudited)	2024	2023
Transfers for operating:			
Local government	\$ -	\$ 70,072	\$ -
Provincial government	62,237	62,238	62,237
Federal government	2,625	2,100	2,625
	64,862	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
	\$ 229,638	\$ 302,732	\$ 342,137

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

13. Expenses by object

	Budget (unaudited)	2024	2023
Salaries, wages and benefits	\$ 329,981	\$ 300,657	\$ 335,296
Contracted and general services	650,157	620,207	622,174
Materials, goods and utilities	250,531	254,352	254,985
Bank charges and short term interest	2,500	2,945	3,156
Interest on long term debt	16,512	20,868	13,924
Other expenditures	5,500	6,170	13,352
Transfers to local boards and agencies	51,310	65,753	49,377
Amortization of tangible capital assets	829,296	824,296	821,531
Loss on disposal of tangible capital assets	-	-	49,722
	<u>\$ 2,135,787</u>	<u>\$ 2,095,248</u>	<u>\$ 2,163,517</u>

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	\$ 2,100,005	\$ 1,995,407
Total debt	652,488	406,398
	<u>\$ 1,447,517</u>	<u>\$ 1,589,009</u>
Debt servicing limit	\$ 350,001	\$ 332,568
Debt servicing	93,913	55,643
	<u>\$ 256,088</u>	<u>\$ 276,925</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.

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

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)	(2)		
	Salary	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.

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).

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

17. Budget amounts

The 2024 budget for the Village was approved by Council and has been reported in the 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 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	\$ (616,729)
Less: Long-term debt repayments	(41,596)
Capital expenditures	(455,776)
Transfer to reserves	(5,000)
Add: Amortization	829,296
Proceeds on long term debt	300,000
Transfer from reserves	2,294
Equals: budgeted approved surplus	<u>\$ 12,489</u>

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.

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.

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

20. 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.

21. Investment in government partnership

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 Village of Rockyford, Village of Hussar, Village of Standard, and the Wheatland County. WRC is responsible for distribution of water to its partnering municipalities.

WRC is accounted for using the proportionate consolidation method. Below is a financial summary of the Corporation's financial statements as at December 31, 2024 and for the year then ended as follows:

	2024 Total	2024 75% share	2024 25% share	2023 25% share (restated)
Financial assets	1,141,388	856,041	285,347	226,509
Liabilities	614,689	461,017	153,672	140,521
Net financial debt	526,699	395,024	131,675	85,988
Non-financial assets	11,882,914	8,912,186	2,970,728	3,054,520
Accumulated surplus	12,409,613	9,307,210	3,102,403	3,140,508
Total revenue	1,171,817	878,863	292,954	337,928
Total expenses	1,324,234	993,176	331,058	364,119
Excess of revenue over expenses	(152,417)	(114,313)	(38,104)	(26,191)

The following amounts pertain to transactions and balances between the Village and WRC. They have been adjusted using the proportionate consolidation method.

- Revenues of \$357,249 (2023 - \$363,108)
- Due to shareholders of \$262,656 (2023 - \$233,090)
- Accounts payable of \$19,998 (2023 - \$27,278)
- Share capital of \$2.50 (2023 - \$2.50)

22. Approval of financial statements

These financial statements were approved by Council and Management.

VILLAGE OF ROCKYFORD
SCHEDULES TO THE 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	\$ 864,649	\$ 13,243	\$ 25,835,247	\$ 26,713,139	\$ 27,269,109	
Deficiency of revenue over expenses	(526,922)	-	-	(526,922)	(555,970)	
Unrestricted funds designated for future use	(75,072)	75,072	-	-	-	
Restricted funds used for operations	1,922	(1,922)	-	-	-	
Current year funds used for tangible capital assets	(111,765)	-	111,765	-	-	
Amortization of tangible capital assets	824,296	-	(824,296)	-	-	
Long-term debt related to tangible capital assets repaid	(42,096)	-	42,096	-	-	
Change in accumulated surplus	70,363	73,150	(670,435)	(526,922)	(555,970)	
Balance, end of year	\$ 935,012	\$ 86,393	\$ 25,164,812	\$ 26,186,217	\$ 26,713,139	

VILLAGE OF ROCKYFORD
SCHEDULES TO THE 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	\$ 30,984,447	\$ 656,410	\$ 1,463,809	\$ 33,874,637	\$ 33,831,552
Acquisitions	-	-	48,973	62,792	-	111,765	309,674
Disposals	-	-	-	-	-	-	(266,589)
Balance, end of year	80,696	689,275	31,033,420	719,202	1,463,809	33,986,402	33,874,637
Accumulated amortization:							
Balance, beginning of year	-	300,862	6,170,842	434,631	726,655	7,632,991	7,010,531
Annual amortization	-	18,572	723,709	21,915	60,100	824,296	821,531
Disposals	-	-	-	-	-	-	(199,071)
Balance, end of year	-	319,434	6,894,551	456,546	786,755	8,457,287	7,632,991
Net book value	\$ 80,696	\$ 369,841	\$ 24,138,869	\$ 262,656	\$ 677,054	\$ 25,529,115	\$ 26,241,646
2023 net book value	\$ 80,696	\$ 388,412	\$ 24,813,605	\$ 221,779	\$ 737,154	\$ 26,241,646	

VILLAGE OF ROCKYFORD
SCHEDULE TO THE 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	-	-	522,693	-	-	77,972	601,775
Government transfers for operating	62,238	70,072	-	-	-	-	2,100	134,410
Investment income	33,248	-	-	11,033	-	-	-	44,281
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	533,726	4,000	54,425	80,072	1,400,004
Expenses								
Salaries, wages and benefits	115,905	24,537	63,442	90,446	-	-	6,327	300,657
Contracted and general services	73,643	60,992	25,878	447,919	-	10,549	1,226	620,207
Materials, goods and utilities	7,100	46,984	44,568	85,428	2,044	30,500	37,728	254,352
Bank charges and short term interest	1,363	-	-	1,582	-	-	-	2,945
Interest on long term debt	-	-	3,128	10,420	-	7,320	-	20,868
Other expenditures	167	2,151	-	202	-	650	3,000	6,170
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	643,677	-	-	10,868	824,296
	204,915	212,360	241,982	1,299,456	4,880	49,019	82,636	2,095,248
Excess (deficiency) of revenue over expenses before capital revenue	382,448	(71,967)	(241,957)	(765,730)	(880)	5,406	(2,564)	(695,244)
Other								
Government transfers for capital	-	108,387	48,974	10,961	-	-	-	168,322
Excess (deficiency) of revenue over expenses	\$ 382,448	\$ 36,420	\$ (192,983)	\$ (754,769)	\$ (880)	\$ 5,406	\$ (2,564)	\$ (526,922)