

VILLAGE OF CLIVE
Financial Statements
Year Ended December 31, 2024

VILLAGE OF CLIVE
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Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the financial statements.

Management reports directly to Council on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

Prior to their submission to Council, the financial statements have been reviewed and recommended for approval by management. The financial statements have been audited by the independent firm of Seniuk and Marcato, Chartered Professional Accountants. Their report to the Council, stating their opinion, basis for opinion, other information, responsibilities of management and those charged with governance for the financial statements, and auditors' responsibilities for the audit of the financial statements, follows.

Ms. Carla Kenney, CAO

Clive, AB
April 28, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Village of Clive

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to (*Note 9*) to the financial statements, which discloses that the balances in 2023 have been restated to correct material prior period errors related to implementing the asset retirement obligation PSAS standard and accounting for the contributed library building asset. As described in (*Note 9*), the asset retirement obligation liability was understated by \$492,151, tangible capital assets were understated by \$266,846, the annual surplus was overstated \$29,053 and accumulated surplus was overstated by \$218,183. Our opinion is not modified in respect of these matters.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on April 22, 2024 as the Village as the municipality did not adopt PS 3280, Asset Retirement Obligations on January 1, 2023 as required.

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

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

In preparing the financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

(continues)

Independent Auditor's Report to the Members of Council of Village of Clive (*continued*)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality'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 Municipality 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.

Edmonton, Alberta
April 28, 2025


Seniuk and Marcato,
Chartered Professional Accountants

VILLAGE OF CLIVE
Statement of Financial Position
December 31, 2024

	2024	(Restated) 2023
FINANCIAL ASSETS		
Cash (Note 3)	\$ 1,451,666	\$ 1,481,720
Restricted cash (Note 3)	120,818	147,660
Term deposits (Notes 3, 5)	5,000	-
Taxes and grants in place of taxes receivable (Note 7)	61,363	36,261
Grants and receivables from other governments (Note 8)	423,837	200,160
Trade and other receivables	63,477	78,116
Long term Investments (Note 6)	355	575
TOTAL FINANCIAL ASSETS	2,126,516	1,944,492
LIABILITIES		
Accounts payable and accrued liabilities	331,071	287,857
Deferred revenue (Note 11)	517,234	318,215
Long term debt (Note 12)	-	5,067
Asset retirement obligation liabilities (Notes 9, 20)	516,206	492,151
TOTAL LIABILITIES	1,364,511	1,103,290
NET FINANCIAL ASSETS	762,005	841,202
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 9, 10)	5,790,102	5,839,687
ACCUMULATED SURPLUS	\$ 6,552,107	\$ 6,680,890

CONTRACTUAL OBLIGATIONS (Note 13)

Approved on behalf of council

_____ Mayor

_____ Councilor

VILLAGE OF CLIVE
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2024

	Budget (Unaudited) 2024	2024	(Restated) 2023
REVENUES			
Net municipal taxes (Schedule 1)	\$ 763,858	\$ 763,949	\$ 723,720
Water user fees	266,442	259,528	249,841
Waste user fees	142,649	143,733	139,532
Other user fees	8,965	11,724	17,117
Government transfers for operating (Schedule 2)	90,314	143,945	142,354
Investment income	20,000	38,534	38,683
Penalties and costs of taxes	18,000	12,819	16,176
Licenses and permits	7,185	10,438	8,643
Rentals	2,800	6,847	6,957
Franchise fees & concession contracts	90,708	93,004	84,355
Other revenues	7,000	19,275	15,445
	1,417,921	1,503,796	1,442,823
EXPENSES			
Administration and legislative	422,295	388,790	375,310
Protective services	162,537	132,967	148,255
Transportation services	240,082	435,215	420,338
Environmental services	431,549	532,506	439,452
Planning and development	32,978	32,255	35,561
Land use planning, zoning and development	21,476	23,916	16,669
Parks and recreation	130,729	257,254	221,489
	1,441,646	1,802,903	1,657,074
DEFICIT FROM OPERATIONS	(23,725)	(299,107)	(214,251)
OTHER INCOME (EXPENSES)			
Government transfers for capital (Schedule 2)	138,125	165,324	190,604
Gain (loss) on disposal of tangible capital assets	-	(3,000)	62,920
Contributed asset	-	8,000	-
	138,125	170,324	253,524
ANNUAL SURPLUS (DEFICIT)	114,400	(128,783)	39,273
ACCUMULATED SURPLUS - BEGINNING OF YEAR (Note 9)	6,680,890	6,680,890	6,641,617
ACCUMULATED SURPLUS - END OF YEAR	\$ 6,795,290	\$ 6,552,107	\$ 6,680,890

The accompanying notes form an integral part of these financial statements

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

	Budget 2024	2024	2023
ANNUAL SURPLUS (DEFICIT)	\$ 114,400	\$ (128,783)	\$ 39,273
Amortization of tangible capital assets	-	363,302	373,062
Purchase of tangible capital assets	(279,852)	(325,218)	(427,770)
Proceeds on disposal of tangible capital assets	-	8,500	-
Loss (gain) on disposal of assets	-	3,002	(62,919)
	(279,852)	49,586	(117,627)
DECREASE IN NET FINANCIAL ASSETS	(165,452)	(79,197)	(78,354)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	841,202	841,202	919,556
NET FINANCIAL ASSETS - END OF YEAR	\$ 675,750	\$ 762,005	\$ 841,202

The accompanying notes form an integral part of these financial statements

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

	2024	2023
OPERATING ACTIVITIES		
Annual surplus (deficit) for the year	\$ (128,783)	\$ 39,273
Items not affecting cash:		
Amortization of tangible capital assets	363,303	373,062
Loss on disposal of tangible capital assets	3,000	24,058
	237,520	436,393
Changes in non-cash working capital:		
Grants and receivables from other governments	(223,677)	(159,355)
Taxes and grants in place of taxes	(25,102)	4,331
Trade and other receivables	14,639	241,882
Accounts payable and accrued liabilities	43,215	34,122
Deferred revenue	199,019	(18,349)
	8,094	102,631
Cash flow from operating activities	245,614	539,024
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(325,218)	(427,770)
Proceeds on disposal of tangible capital assets	8,500	-
Change in asset retirement obligation	24,055	22,934
Cash flow used by capital activities	(292,663)	(404,836)
FINANCING ACTIVITIES		
Decrease (increase) in restricted cash	26,842	(52,149)
Decrease (increase) in term deposits	(5,000)	-
Decrease (increase) in long-term investments	220	-
Repayment of long term debt	(5,067)	(9,941)
Cash flow from (used by) financing activities	16,995	(62,090)
INCREASE (DECREASE) IN CASH FLOW	(30,054)	72,098
Cash - beginning of year	1,481,720	1,409,622
CASH - END OF YEAR (Note 3)	\$ 1,451,666	\$ 1,481,720
CASH CONSISTS OF:		
Cash and temporary investments	\$ 1,451,666	\$ 1,481,720

The accompanying notes form an integral part of these financial statements

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

(Schedule 1)

	Budget (Unaudited) 2024	2024	2023
TAXATION			
Net taxes available for municipal purposes	\$ 965,539	\$ 965,630	\$ 918,521
Linear property taxes	10,780	10,780	10,673
	976,319	976,410	929,194
REQUISITIONS			
Alberta school foundation	206,781	206,781	199,739
Seniors' housing requisition	5,680	5,680	5,735
	212,461	212,461	205,474
NET MUNICIPAL TAXES	\$ 763,858	\$ 763,949	\$ 723,720

Schedule of Government Transfers

(Schedule 2)

	Budget (Unaudited) 2024	2024	2023
TRANSFERS FOR OPERATING			
Provincial Government	\$ 90,314	\$ 143,945	\$ 142,354
	90,314	143,945	142,354
TRANSFERS FOR CAPITAL			
Provincial Government	138,125	138,125	190,604
Other Local Governments	-	27,200	-
	138,125	165,325	190,604
TOTAL GOVERNMENT TRANSFERS	\$ 228,439	\$ 309,270	\$ 332,958

The accompanying notes form an integral part of these financial statements

VILLAGE OF CLIVE**Schedule of Expenditures by Object****(Schedule 3)****Year Ended December 31, 2024**

	Budget (Unaudited) 2024	2024	(Restated) 2023
EXPENSES			
Salaries, wages & benefits	\$ 502,932	\$ 502,998	\$ 492,307
Contract and general services	414,706	392,568	334,126
Other governments, boards and agencies	8,665	8,665	8,616
Bank charges	2,400	1,530	2,373
Materials, goods, supplies and utilities	694,617	456,729	366,269
Transfers to local boards and agencies	23,309	23,309	22,909
Amortization	-	363,303	373,062
Professional services	38,700	29,681	34,193
Interest and bank charges	71	65	322
Allowances and bad debts (recoveries)	400	-	(37)
Accretion Expense	-	24,055	22,934
Total Expenditures by Object	\$ 1,685,800	\$ 1,802,903	\$ 1,657,074

The accompanying notes form an integral part of these financial statements

VILLAGE OF CLIVE

Schedule of Changes in Accumulated Surplus

(Schedule 4)

Year Ended December 31, 2024

	Unrestricted Surplus	Restricted surplus	Equity in Tangible Capital Assets	Total 2024	Total 2023
As previously reported	\$ 416,134	\$ 1,158,867	\$ 5,105,889	\$ -	\$ 6,849,145
Prior period adjustments	(236,581)	-	236,581	-	(207,528)
As restated (<i>Note 9.</i>)	179,553	1,158,867	5,342,470	6,680,890	6,641,617
	179,553	1,158,867	5,342,470	6,680,890	6,641,617
Excess (deficiency) of revenues over expenses	(128,783)	-	-	(128,783)	39,273
Disposal net of proceeds on tangible capital assets	11,500	-	(11,500)	-	-
Current year funds used to purchase of tangible capital assets	(325,218)	-	325,218	-	-
Annual amortization expense	363,303	-	(363,303)	-	-
Accretion expense	24,055	-	(24,055)	-	-
Principle repayments on long term debt	(5,067)	-	5,067	-	-
Reserve fund transfers - contra	155,119	(155,119)	-	-	-
	94,909	(155,119)	(68,573)	(128,783)	39,273
BALANCE, END OF YEAR	\$ 274,462	\$ 1,003,748	\$ 5,273,897	\$ 6,552,107	\$ 6,680,890

The accompanying notes form an integral part of these financial statements

VILLAGE OF CLIVE

Schedule of Segmented Disclosure

(Schedule 5)

Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Total
REVENUE							
Net municipal taxes	\$ 763,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 763,950
Government transfers	-	17,500	48,876	-	72,569	5,000	143,945
Utilities revenue	-	-	-	-	-	403,260	403,260
User fees and sales of goods	189	9,114	-	100	-	2,322	11,725
Investment income	38,248	-	-	-	286	-	38,534
Licenses, Permits and Fines	3,135	125	-	7,178	-	-	10,438
Rentals	2,007	-	-	-	4,840	-	6,847
Other revenues	106,535	-	-	-	18,562	-	125,097
	914,064	26,739	48,876	7,278	96,257	410,582	1,503,796
EXPENSES							
Contract and general services	78,392	80,784	25,394	12,424	62,648	132,926	392,568
Salaries and wages	249,359	8,707	84,724	-	81,487	78,720	502,997
Materials, goods and utilities	28,765	25,091	133,703	8,526	39,516	221,129	456,730
Transfers to local boards	-	-	-	-	23,309	-	23,309
Amortization	6,407	18,320	188,037	-	73,885	76,654	363,303
Professional Services	23,359	-	3,357	2,965	-	-	29,681
Other government board transfers	-	-	-	-	8,665	-	8,665
Interest on long-term debt	-	65	-	-	-	-	65
Bank Charges	1,530	-	-	-	-	-	1,530
Accretion expense	978	-	-	-	-	23,077	24,055
	388,790	132,967	435,215	23,915	289,510	532,506	1,802,903
Excess (deficiency) of revenue over expenses before other	525,274	(106,228)	(386,339)	(16,637)	(193,253)	(121,924)	(299,107)
OTHER							
Government transfers for capital	-	-	12,719	-	27,200	125,405	165,324
Gain (loss) on disposal of capital assets	-	-	(3,000)	-	-	-	(3,000)
Contributed assets	-	-	-	-	8,000	-	8,000
	-	-	9,719	-	35,200	125,405	170,324
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 525,274	\$ (106,228)	\$ (376,620)	\$ (16,637)	\$ (158,053)	\$ 3,481	\$ (128,783)

The accompanying notes form an integral part of these financial statements

VILLAGE OF CLIVE
Schedule of Tangible Capital Assets
(Schedule 6)
Year Ended December 31, 2024

	Opening Balance (Restated)	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
For the year ended December 31, 2024				
Cost				
Land	\$ 50,819	\$ -	\$ -	\$ 50,819
Land improvements	408,472	74,005	-	482,477
Buildings	1,074,820	-	-	1,074,820
Engineered structures	9,659,265	41,968	(54,000)	9,647,233
Machinery and equipment	1,226,440	203,235	(23,942)	1,405,733
Motor vehicles	163,406	-	-	163,406
Assets under construction	-	6,009	-	6,009
	12,583,222	325,217	(77,942)	12,830,497
Accumulated Amortization				
Land improvements	(350,869)	(17,987)	-	(368,856)
Buildings	(303,681)	(21,497)	-	(325,178)
Engineered structures	(5,145,571)	(227,665)	54,000	(5,319,236)
Machinery and equipment	(827,308)	(84,455)	12,444	(899,319)
Motor vehicles	(116,106)	(11,700)	-	(127,806)
	(6,743,535)	(363,304)	66,444	(7,040,395)
Net Book Value	\$ 5,839,687	\$ (38,087)	\$ (11,498)	\$ 5,790,102

For the year ended December 31, 2023

Cost				
Land	\$ 50,819	\$ -	\$ -	\$ 50,819
Land improvements	408,472	-	-	408,472
Buildings	1,063,882	10,938	-	1,074,820
Engineered structures	9,531,196	128,069	-	9,659,265
Machinery and equipment	1,069,977	230,263	(73,800)	1,226,440
Motor vehicles	145,001	58,500	(40,095)	163,406
	12,269,347	427,770	(113,895)	12,583,222
Accumulated Amortization				
Land improvements	(336,619)	(14,250)	-	(350,869)
Buildings	(282,179)	(21,502)	-	(303,681)
Engineered structures	(4,918,080)	(227,491)	-	(5,145,571)
Machinery and equipment	(802,990)	(98,118)	73,800	(827,308)
Motor vehicles	(120,444)	(11,700)	16,038	(116,106)
	(6,460,312)	(373,061)	89,838	(6,743,535)
Net Book Value	\$ 5,809,035	\$ 54,709	\$ (24,057)	\$ 5,839,687

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year which are shown in their respective asset classifications.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Clive (the "Municipality") are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). It is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA). Significant aspects of the accounting policies adopted by the Municipality are as follows:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

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 or goods have yet to be provided.

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

Financial instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non- derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

Use of Estimates

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

Significant estimates include:

- estimated accrued receivables;
- the estimated useful lives of assets;
- assessment of impairment of long term assets;
- estimated accrued payables; and
- estimated obligations associated with the retirement of existing capital assets.

Segment disclosures

The Schedule of Segment Disclosures – Schedule 5 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

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

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

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes.

Segments include:

- General Government includes municipal administration and council governance.
- Protective Services is comprised of police, traffic safety, bylaw enforcement and fire rescue.
- Transportation Services includes roadway and parking services.
- Environmental Services include water, sewage, and garbage services.
- Planning and Development includes related services for the betterment of the municipality.
- Recreation and Culture includes parks and recreation, community and family services, planning and corporate properties and public housing.

Tax Revenue

Annually, the Municipality bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by the Municipality Council in accordance with legislation and the Municipality Council approved policies to raise the tax revenue required to meet the Municipality's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Schedule of Property and Other Taxes

The Municipality also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Schedule of Property and Other Taxes (Schedule 1).

Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

Cash and short term investments

Cash and cash equivalents consist of cash on deposit and short term investments mature within 90 days from the date of purchase, are capable of reasonably prompt liquidation and may be used to manage the Municipality's cash position throughout the year.

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.

(continues)

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

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

Land Inventory for Resale

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

Loans Receivable

Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances.

Debt Charges Recoverable

Debt recoverable consists of long term debt amounts borrowed that are recoverable under loans or other financial arrangements made to non-profit organizations. These debt recoverable amounts are recorded at a value equivalent to the offsetting outstanding long term debt balances as at December 31. Loans are recorded at the lower of cost and net recoverable value. A valuation allowance in the debt recoverable is recognized when there is no longer any reasonable assurance of collection.

Local Improvements

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the MGA to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owners' share of the improvement is recognized as revenue and established as a receivable in the period that the project expenditures are completed.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Land improvements	15 - 25 years
Buildings	25 - 50 years
Machinery and equipment	5 - 20 years
Motor vehicles	5 - 10 years
Engineered structures - Water system	45 - 75 years
Engineered structures - Wastewater system	45 - 75 years
Engineered structures - Road system	10 - 30 years

The Municipality regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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.

(*continues*)

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

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

Impairment of long lived assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Cultural and Historical Tangible Capital Assets

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

Non-Financial Assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Deferred Revenue

Deferred revenue comprises funds received in advance of services performed or where the use of funds is externally restricted. These amounts are recognized as revenue in the period the service is performed or when the funds are used for the purpose specified. When agreements stipulate that interest earned on contributions should be restricted for a specific purpose that interest is treated as a contribution received and recorded as an addition to deferred revenue.

Deposits

Deposits are held for the purposes of securing the compliance of a third party to contractual stipulations. Deposits are returned when compliance with contractual stipulations is determined. Deposits are recognized as revenue when a third party defaults on the contractual stipulations that the deposits were securing against.

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.

Reserves and Equity in Tangible Capital Assets

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets after deducting the portion financed by long term debt.

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.

(*continues*)

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

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

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

Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from other orders of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future. The Municipality receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the Municipality are recognized as revenues when the transfers are authorized and all the eligibility criteria, if any, has been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received along with restricted interest thereon are recorded as deferred revenue.

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the transfer has been authorized and the eligibility criteria, if any, have been met by the recipient. The majority of transfers made by the Municipality are in the form of tangible capital assets, grants and subsidies.

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.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Municipality to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(continues)

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

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

Contaminated Sites Liability

Contaminated sites are the result of a chemical, organic or radioactive material or live organism in amounts that exceed an environmental standard being introduced into soil, water or sediment. The Municipality recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Municipality is directly responsible or accepts responsibility for the contamination,
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Municipality's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Municipality's best estimate, as of December 31, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. When cash flows are expected to occur over extended future periods the Municipality will measure the liability using present value techniques. This liability is reported in in the Statement of Financial Position.

2. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and cash equivalents investments, accounts receivable, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the Municipality is not exposed to significant currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Municipality manages risk exposure on these items similar to other receivables and payables

The municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from customers. In order to reduce its credit risk, the Municipality reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Municipality has a significant number of customers which minimizes concentration of credit risk.

(continues)

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

2. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

3. CASH, TEMPORARY INVESTMENTS, AND RESTRICTED CASH

	2024	2023
Cash and temporary investments	\$ 1,451,666	\$ 1,481,720
Restricted cash	120,818	147,660
Term deposits	5,000	-
	\$ 1,577,484	\$ 1,629,380

Temporary investments are short term deposits with original maturities of one year or less.

Restricted amounts received from municipal grants and are held exclusively for future approved projects. (Note 11.)

4. TRUST FUNDS

The municipality administers the following funds as deposits for future projects. These funds are not included as part of the Village's financial records as they are held in trust on behalf of the fund contributors.

	2024	2023
Crime Prevention Fund	\$ 1,797	\$ 1,797
Fire Department Fund	12,643	5,999
FCSS Volunteer Appreciation Fund	59	59
	\$ 14,499	\$ 7,855

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

5. TERM DEPOSITS

	2024 Cost	2024 Market value	2023 Cost	2023 Market value
1 year GIC maturing on Feb 23, 2025 at 4.25%	\$ 5,000	\$ 5,000	\$ -	\$ -
	\$ 5,000	\$ 5,000	\$ -	\$ -

6. LONG TERM INVESTMENTS

	2024	2023
Alberta Capital Finance Authority Shares	\$ 10	\$ 10
Patronage reserves	345	565
	\$ 355	\$ 575

7. PROPERTY TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

Taxes receivable are comprised of:

	2024	2023
Current taxes and grants in place of taxes	\$ 41,429	\$ 27,827
Arrears taxes and grants in place of taxes	19,934	8,434
	\$ 61,363	\$ 36,261

8. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2024	2023
Canada Community-Building Fund	\$ 145,149	\$ 50,000
Municipal Sustainability Initiative - Capital	-	109,775
Local Government Fiscal Framework - Capital	244,354	-
Subtotal	389,503	159,775
Goods and services tax refundable	34,334	40,385
	\$ 423,837	\$ 200,160

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

9. PRIOR PERIOD ERRORS AND RESTATEMENT

During the current year, the following prior period errors were discovered and corrected:

- a) Management determined that a material error existed in the recognition of the library building contributed asset. In 2018, the Library Board transferred the building to the Municipality, but it was not recorded at its fair market value of \$299,170 at the date of transfer. In accordance with PSAS, the building should have been recognized as a contributed tangible capital asset at its fair value, with subsequent amortization. The correction has been applied retrospectively by recognizing the contributed tangible capital asset at its fair value and related accumulated amortization at the net book value of \$209,318 and recording the amortization expense omitted in 2023 of \$5,013.
- b) Management determined that PS3280 Asset Retirement Obligations (ARO) should have been adopted effective January 1, 2022. In accordance with PSAS requirements for a change in accounting policy with retrospective application, the opening balances of tangible capital assets, ARO liabilities and accumulated surplus have been restated.

These corrections have been applied retrospectively by restating the balances of tangible capital assets, accumulated surplus, amortization, and accretion expense. The effects on the statements are as follows:

	As Previously Reported	Restatement library building	Restatement ARO	As Restated
Statement of Financial Position				
Tangible capital assets	\$ 5,572,841	\$ 209,318	\$ 57,528	\$ 5,839,687
Asset retirement obligation liabilities	-	-	492,151	492,151
Statement of Operations and Accumulated Surplus				
ARO accretion expense	-	-	22,934	22,934
Amortization	366,943	5,013	1,106	373,062
Annual surplus (deficit)	68,327	(5,013)	(24,040)	39,274
Accumulated surplus	6,899,073	214,331	(432,514)	6,680,890

10. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 50,819	\$ -	\$ 50,819	\$ 50,819
Land improvements	482,477	368,855	113,622	57,603
Buildings	1,074,820	325,177	749,643	771,139
Engineered structures	9,647,233	5,319,236	4,327,997	4,513,694
Machinery and equipment	1,405,731	899,319	506,412	399,132
Motor vehicles	163,406	127,806	35,600	47,300
Assets under construction	6,009	-	6,009	-
	\$ 12,830,495	\$ 7,040,393	\$ 5,790,102	\$ 5,839,687

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

11. DEFERRED REVENUE

Deferred revenue is comprised of:

2024	2023 Balance	Allocations	Disbursements	2024 Balance
Grant Funding				
Canada Community-Building Fund \$	50,000	\$ 95,149	\$ -	\$ 145,149
Municipal Sustainability Initiative - Capital	257,435	1,508	(138,125)	120,818
Local Government Fiscal Framework - Capital	-	244,354	-	244,354
	307,435	341,011	(138,125)	510,321
Other Deferred Revenue				
Prepaid Taxes	10,094	-	(4,633)	5,461
Other deferred revenue	687	765	-	1,452
	\$ 318,216	\$ 341,776	\$ (142,758)	\$ 517,234

2023	2022 Balance	Allocations	Disbursements	2023 Balance
Grant Funding				
Canada Community-Building Fund	-	50,000	-	50,000
Municipal Sustainability Initiative - Capital	333,654	114,385	(190,604)	257,435
	333,654	164,385	(190,604)	307,435
Other Deferred Revenue				
Prepaid Taxes	-	10,094	-	10,094
Other deferred revenue	1,160	-	(473)	687
	334,814	174,479	(191,077)	318,216

Grant funding is comprised of the funds noted above and is allocated to the Municipality by the Provincial Government as approved by the individual restricted funding agreements. These grants are restricted to specific projects that must be approved per the agreement and are scheduled for completion in the next few years. These funds are recognized as revenue in the period they are used for the purpose specified. Unexpended funds related to the advances, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 3.).

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

12. LONG TERM DEBT

	2024	2023
Alberta Capital Finance Authority loan bearing interest at 2.57% per annum, repayable in semi-annual blended payments of \$5,132. The loan matured on March 17, 2024 and was secured by secured by the credit and security of the Municipality at large.	\$ -	\$ 5,067

Interest on long term debt amounted to \$ 65 (2023 - \$ 322).

13. COMMITMENTS

The Municipality is a member of the Highway 12/21 Regional Water Services Commission which provides water services to participating municipalities. In a prior year the construction of a new water system was completed for all members and Municipality's proportion of the costs was 7.7%, thus having a related commitment to pay the associated debenture for these construction costs until 2044.

Contractual obligation repayment schedule:

2025	\$ 17,806
2026	17,806
2027	17,806
2028	17,806
2029	17,806
Thereafter	81,301
	<u>\$ 170,331</u>

14. DEBT LIMITS

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

	2024	2023
Total debt limit	\$ 2,255,694	\$ 2,164,235
Total debt	-	(5,067)
Amount of debt limit unused	2,255,694	2,159,168
Debt servicing limit	375,949	360,706
Debt servicing	-	(5,132)
Amount of debt servicing limit unused	\$ 375,949	\$ 355,574

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

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

15. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2024	2023
Tangible capital assets (Note 10.)	\$ 12,830,495	\$ 12,583,222
Accumulated amortization (Note 10.)	(7,040,393)	(6,743,534)
Long term debt (Note 12)	-	(5,067)
Asset retirement obligation liabilities	(516,206)	(492,151)
	\$ 5,273,896	\$ 5,342,470

16. ACCUMULATED SURPLUS

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

	2024	2023 <i>Restated</i>
Unrestricted surplus	\$ 274,462	\$ 179,553
Reserve - Council Projects	750	9,250
Reserve - Computer & S/w	1,500	16,500
Reserve - Administration	33,703	38,843
Reserve - Legal & Hearing Fees	21,786	26,786
Reserve - Municipal Building Fund	106,418	106,418
Reserve - Fire Pagers	5,968	18,333
Fire Operating Reserve - Honorarium & Tr	2,000	7,000
Reserve - Fire Engine	27,938	27,938
Reserve - Fire Dept Building	20,000	20,000
Reserve - Roads (Vehicles)	1,759	1,759
Reserve - Roads (Operating)	24,500	24,500
Reserve - Roads (Bldgs & Tools)	7,500	7,500
Reserve - Roads (Equipment)	47,756	33,357
Reserve - PW (Tree Mgmt Program)	12,917	13,912
Reserves - Roads (Capital)	217,603	217,579
Reserve - Water	61,781	135,157
Reserve - Sewer	11,818	11,818
Operating Reserve - Sewer	15,299	21,949
Reserve Sewer - Generator	4,000	4,000
Operating Reserve - Garbage	28,403	24,868
Operating Reserve - Community Wellness	3,000	3,000
Reserve - Cemetery	7,841	7,841
Reserve - Entrance Sign	5,410	5,410
Reserve - Fibre Optic Project	44,100	44,100
Reserve - Development	139,513	146,580
Reserve - Planning Projects	2,500	4,500
Reserve - In lieu of Mun. Reserve	2,250	2,250
Reserve - Fox Drive Sidewalk Replacement	3,750	3,750
Reserve - Outdoor Rink	18,495	18,495
Reserve - Ball & Soccer Projects	16,389	47,715
Reserve - Parks & Playground Capital	28,897	32,555

(continues)

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

16. ACCUMULATED SURPLUS (continued)

	2024	2023 <i>Restated</i>
Community Grant Fund	5,000	5,000
Operating Reserve - Recreation	10,435	7,435
Reserve - Contingency	62,768	62,768
Restricted surplus - operating	1,003,747	1,158,866
Equity in tangible capital assets	5,273,897	5,342,470
	\$ 6,552,106	\$ 6,680,889

17. SEGMENTED DISCLOSURE

The Village of Clive 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 4).

18. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

			2024			2023
	Salary (1)	Benefits & allowances (2)	Total	Total		
Mayor Henry	\$ 10,145	\$ 266	\$ 10,411	\$ 11,509		
Councilor Penney	2,684	99	2,783	4,649		
Councilor Fahey	5,618	392	6,010	4,321		
Councilor Graden	2,931	234	3,165	5,986		
Councilor Hallman	8,846	573	9,419	9,048		
Chief Administrative Officer	103,744	8,298	112,042	106,107		
Designated Officers (1)	10,713	-	10,713	10,607		
	\$ 144,681	\$ 9,862	\$ 154,543	\$ 152,227		

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

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

19. CONTAMINATED SITES LIABILITY

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2024 (2023 – Nil) as a result of this standard.

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

20. ASSET RETIREMENT OBLIGATION

	2024	2023 <i>(Restated)</i>
Balance, beginning of year	\$ 492,151	\$ 469,217
Accretion expense	24,055	22,934
Estimated total liability	\$ 516,206	\$ 492,151

Lagoons

The Municipality has a license to operate lagoons. The Municipality is legally required to decommission and reclaim these lagoons at the end of their useful lives. In accordance with PS 3280, Asset Retirement Obligations (ARO), the Municipality estimated the ARO using the undiscounted future expenditures expected to be incurred within a 45 years period of \$1,439,596. The estimated total liability of \$484,149 (2023 - \$461,489) is based on the sum of discounted future cash flows for reclamation activities using an average discount rate of 4.91% and assuming annual inflation of 2.4%. The Municipality has not designated assets for settling the reclamation.

Buildings

The Municipality owns buildings which contain asbestos and, therefore, the Municipality is legally required to perform abatement activities upon renovations or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost of \$46,685 in the years 2031-2045. The estimated total liability of \$32,058 (2023 - \$30,662) is based on the sum of discounted future cash flows for abatement activities using an average discount rate of 4.44% and assuming annual inflation of 2.4%. The Municipality has not designated assets for settling the abatement activities.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

22. COMPARATIVE FIGURES

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

23. BUDGET AMOUNTS

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