

**VILLAGE OF RYLEY**  
**Financial Statements**  
**Year Ended December 31, 2020**

**VILLAGE OF RYLEY**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management of the Village of Ryley is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Village's financial position as at December 31, 2020 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation and in accordance with Public Sector Accounting Standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, assets are properly accounted for and safeguarded.

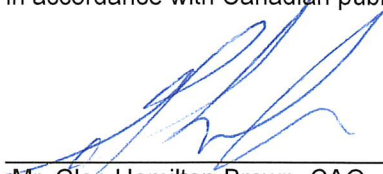
These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Village Council carries out its responsibilities for review of the financial statements principally through its Council meetings. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

The financial statements have been audited by Seniuk and Company, independent external auditors, appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

The financial statements have been audited on behalf of the Members of Council by Seniuk and Company in accordance with Canadian public sector accounting standards (PSAS).



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Mr. Glen Hamilton-Brown, CAO  
Glen Hamilton-Brown  
Chief Administrative Officer (CAO)  
Village of Ryley

Ryley, Alberta  
June 01, 2021

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council of Village of Ryley

### *Opinion*

We have audited the financial statements of Village of Ryley (the Village), which comprise the statement of financial position as at December 31, 2020, 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 Village as at December 31, 2020, 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 Village in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 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 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:

(continues)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

As required by the Alberta Municipal Governance Act, we also report the following:

- Debt Limit Regulation:  
In accordance with Alberta Regulation 255/2000, we confirm that the Municipality is in compliance with the Debt Limit Regulation. A detailed account of the entity's debt limit can be found in Note 9.
- Supplementary Accounting Principles and Standards Regulation:  
In accordance with Alberta Regulation 313/2000, we confirm that the Municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 13.

The engagement partner on the audit resulting in this Independent Auditor's Report is Laura Marcato CPA, CA.

Edmonton, Alberta  
June 1, 2021

*Seniuk & Company*  
**Seniuk and Company,**  
**Chartered Professional Accountants**

**VILLAGE OF RYLEY**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 1,131,592	\$ 565,098
Term deposits (Notes 2, 3)	-	1,017,003
Restricted cash (Note 2)	232,676	78,158
Property taxes and grants in place of taxes receivable (Note 4)	128,621	117,515
Grants and receivables from other governments (Note 5)	318,448	34,354
Trade and other receivables	165,264	312,075
	<b>1,976,601</b>	<b>2,124,203</b>
<b>LIABILITIES</b>		
Accounts payable	576,384	109,210
Deposits received	1,974	1,674
Deferred income (Note 7)	236,636	87,175
Long term debt (Note 8)	206,413	409,568
	<b>1,021,407</b>	<b>607,627</b>
<b>NET FINANCIAL ASSETS</b>	<b>955,194</b>	<b>1,516,576</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	190,433	32,700
Tangible capital assets (Note 6)	6,057,396	5,044,754
	<b>6,247,829</b>	<b>5,077,454</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 7,203,023</b>	<b>\$ 6,594,030</b>

**APPROVED ON BEHALF OF COUNCIL**

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Councilor

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2020**

	Budget (Unaudited) 2020	2020	2019
<b>REVENUES</b>			
Net municipal taxes (Schedule 1)	\$ 463,511	\$ 472,747	\$ 453,312
User fees	102,699	96,697	103,720
Government transfers for operating (Schedule 2)	372,732	329,470	125,133
Investment income	12,804	15,464	37,977
Penalties and costs of taxes	15,597	11,892	15,746
Licenses and permits	987	1,031	1,012
Rentals	19,404	9,580	21,579
Franchise fees & concession contracts	24,333	28,611	29,028
Beaver Regional Waste Commission surplus	271,419	274,209	271,419
Clean Harbors donation	305,731	283,769	486,478
Other	2,300	5,413	15,070
	1,591,517	1,528,883	1,560,474
<b>EXPENSES</b>			
Legislative	337,925	300,563	435,632
Protective services	99,822	69,510	75,478
Transportation services	190,840	171,027	217,966
Environmental services	72,870	89,611	44,158
Planning and development	81,050	80,799	41,546
Parks and recreation	458,927	341,342	244,851
Amortization of tangible capital assets	-	293,083	315,127
	1,241,434	1,345,935	1,374,758
<b>SURPLUS FROM OPERATIONS</b>	350,083	182,948	185,716
<b>OTHER INCOME (EXPENSES)</b>			
Government transfers for capital (Schedule 2)	402,141	427,045	261,825
Gain (loss) on disposal of tangible capital assets	-	(1,000)	-
	402,141	426,045	261,825
<b>ANNUAL SURPLUS</b>	752,224	608,993	447,541
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	-	6,594,030	6,146,489
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ -	\$ 7,203,023	\$ 6,594,030

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2020**

	Budget 2020	2020	2019
<b>ANNUAL SURPLUS</b>	\$ 752,224	\$ 608,993	\$ 447,541
Purchase of tangible capital assets	-	(1,340,594)	(395,311)
Proceeds on disposal of tangible capital assets	-	33,869	-
Loss on disposal of assets	-	1,000	-
Decrease (increase) in prepaid expenses	-	(157,733)	8,503
Amortization of tangible capital assets	-	293,083	315,127
	-	(1,170,375)	(71,681)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	752,224	(561,382)	375,860
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	-	1,516,576	1,140,716
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 752,224	\$ 955,194	\$ 1,516,576

The accompanying notes form an integral part of these financial statements



**VILLAGE OF RYLEY**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	\$ 608,993	\$ 447,541
Items not affecting cash:		
Amortization of tangible capital assets	293,083	315,127
Loss on disposal of tangible capital assets	1,000	-
	903,076	762,668
Changes in non-cash working capital:		
Trade and other receivables	146,811	(205,980)
Grants and receivables from other governments	(284,094)	59,264
Taxes and grants in place of taxes	(11,106)	(19,745)
Accounts payable	467,174	47,133
Deferred income	149,461	(19,969)
Prepaid expenses	(157,733)	8,503
Deposits received	300	(50)
	310,813	(130,844)
Cash flow from operating activities	1,213,889	631,824
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(1,340,594)	(395,311)
Proceeds on disposal of tangible capital assets	33,869	-
Cash flow used by capital activities	(1,306,725)	(395,311)
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash	(154,518)	(54,154)
Decrease (increase) in term deposits	1,017,003	(1,017,003)
Repayment of long term debt	(203,155)	(199,949)
Cash flow from (used by) investing activities	659,330	(1,271,106)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	566,494	(1,034,593)
Cash - beginning of year	565,098	1,599,691
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 1,131,592</b>	<b>\$ 565,098</b>

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Schedule of Property and Other Taxes**  
**Year Ended December 31, 2020**

**(Schedule 1)**

	Budget (Unaudited) 2020	2020	2019
<b>TAXATION</b>			
Real property tax	\$ 588,307	\$ 547,697	\$ 525,952
Linear property taxes	-	49,846	49,248
	588,307	597,543	575,200
<b>REQUISITIONS</b>			
Alberta school foundation	102,041	102,041	100,260
Seniors' housing requisition	22,755	22,755	21,628
	124,796	124,796	121,888
<b>NET MUNICIPAL TAXES</b>	\$ 463,511	\$ 472,747	\$ 453,312

**Schedule of Government Transfers**

**(Schedule 2)**

	Budget (Unaudited) 2020	2020	2019
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 322,732	\$ 303,911	\$ 78,345
Other Local Governments	50,000	25,560	46,787
	372,732	329,471	125,132
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	402,141	427,045	261,825
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 774,873	\$ 756,516	\$ 386,957

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY****Schedule of Expenditures by Object****(Schedule 3)****Year Ended December 31, 2020**

	Budget (Unaudited) 2020	2020	2019
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 466,418	\$ 470,284	\$ 442,497
Contracted and general services	456,963	339,061	372,932
Materials, goods and utilities	225,267	194,540	149,160
Transfer to local boards and agencies	91,287	43,377	86,242
Interest and bank charges	-	5,591	8,799
Amortization	-	293,083	315,127
<b>Total Expenditures by Object</b>	<b>\$ 1,239,935</b>	<b>\$ 1,345,936</b>	<b>\$ 1,374,757</b>

The accompanying notes form an integral part of these financial statements

# VILLAGE OF RYLEY

## Schedule of Changes in Accumulated Surplus Year Ended December 31, 2020 (Schedule 4)

	Unrestricted Surplus	Operating Reserves	Capital Reserves	Equity in Tangible Capital Assets	Total	Total
					2020	2019
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 310,950	\$ 828,779	\$ 819,113	\$ 4,635,186	\$ 6,594,030	\$ 6,146,489
Excess (deficiency) of revenues over expenses	608,993	-	-	-	608,993	447,541
Current year funds used to purchase of tangible capital assets	(1,012,053)	-	(328,541)	1,340,594	-	-
Annual amortization expense	293,082	-	-	(293,082)	-	-
Principal repayments on long term debt	(203,155)	-	-	203,155	-	-
Operating reserve transfers	54,250	(54,250)	-	-	-	-
	(258,883)	(54,250)	(328,541)	1,250,667	608,993	447,541
<b>BALANCE, END OF YEAR</b>	\$ 52,067	\$ 774,529	\$ 490,572	\$ 5,885,853	\$ 7,203,023	\$ 6,594,030

The accompanying notes form an integral part of these financial statements

# VILLAGE OF RYLEY

(Schedule 5)

## Schedule of Segmented Disclosure Year Ended December 31, 2020

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	2020
<b>REVENUE</b>								
Net municipal taxes	\$ 472,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	472,747
Government transfers	116,640	-	-	3,655	14,181	169,435	-	303,911
User fees and sales of goods	166	-	-	-	33,335	87,406	1,350	122,257
Investment income	15,464	-	-	-	-	-	-	15,464
Other revenues	43,256	265	-	766	9,580	-	2,660	56,527
Clean Harbors donation	-	-	-	-	283,769	-	-	283,769
Beaver Regional Waste	-	-	-	-	-	-	-	-
Commission surplus	-	-	-	-	274,209	-	-	274,209
	648,273	265	-	4,421	615,074	256,841	4,010	1,528,884
<b>EXPENSES</b>								
Contract and general services	140,486	69,510	19,019	4,330	54,951	50,765	-	339,061
Salaries and wages	153,091	-	35,738	39,373	175,906	66,176	-	470,284
Materials, goods and utilities	56,802	-	74,655	4,962	49,561	8,560	-	194,540
Transfers to local boards	-	-	-	-	43,377	-	-	43,377
Amortization	16,506	-	168,272	-	62,594	45,711	-	293,083
Long term debt interest	-	-	5,591	-	-	-	-	5,591
	366,885	69,510	303,275	48,665	386,389	171,212	-	1,345,936
<b>Excess (deficiency) of revenue over expenses before other</b>	281,388	(69,245)	(303,275)	(44,244)	228,685	85,629	4,010	182,948
<b>OTHER</b>								
Government transfers for capital	-	-	50,000	-	-	377,045	-	427,045
Gain (loss) on disposal of capital assets	-	-	-	-	-	(1,000)	-	(1,000)
	-	-	50,000	-	-	376,045	-	426,045
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 281,388	\$ (69,245)	\$ (253,275)	\$ (44,244)	\$ 228,685	\$ 461,674	\$ 4,010	\$ 608,993

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RILEY**
**Schedule of Tangible Capital Assets**
**(Schedule 6)**
**Year Ended December 31, 2020**

	Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
<b>For the year ended December 31, 2020</b>				
<b>Cost</b>				
Land	\$ 465,014	\$ -	\$ -	\$ 465,014
Land improvements	466,943	-	-	466,943
Buildings	1,877,631	-	-	1,877,631
Engineered structures	7,082,905	1,642,016	(1,000)	8,723,921
Motor vehicles	38,720	-	-	38,720
Machinery and equipment	688,759	6,390	-	695,149
Assets under construction	341,680	(341,680)	-	-
	10,961,652	1,306,726	(1,000)	12,267,378
<b>Accumulated Amortization</b>				
Land improvements	(251,565)	(24,376)	-	(275,941)
Buildings	(800,129)	(43,624)	-	(843,753)
Engineered structures	(4,588,771)	(192,257)	-	(4,781,028)
Motor vehicles	(38,369)	(351)	-	(38,720)
Machinery and equipment	(238,064)	(32,476)	-	(270,540)
	(5,916,898)	(293,084)	-	(6,209,982)
<b>Net Book Value</b>	\$ 5,044,754	\$ 1,013,642	\$ (1,000)	\$ 6,057,396

**For the year ended December 31, 2019**

<b>Cost</b>				
Land	\$ 337,502	\$ 127,512	\$ -	\$ 465,014
Land improvements	461,743	5,200	-	466,943
Buildings	1,856,054	21,577	-	1,877,631
Engineered structures	7,082,905	-	-	7,082,905
Motor vehicles	38,720	-	-	38,720
Assets under construction	-	341,680	-	341,680
Machinery and equipment	661,907	26,852	-	688,759
	10,438,831	522,821	-	10,961,652
<b>Accumulated Amortization</b>				
Land improvements	(227,083)	(24,482)	-	(251,565)
Buildings	(756,506)	(43,624)	-	(800,130)
Engineered structures	(4,374,807)	(213,963)	-	(4,588,770)
Motor vehicles	(38,019)	(350)	-	(38,369)
Machinery and equipment	(205,357)	(32,707)	-	(238,064)
	(5,601,772)	(315,126)	-	(5,916,898)
<b>Net Book Value</b>	\$ 4,837,059	\$ 207,695	\$ -	\$ 5,044,754

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.

The accompanying notes form an integral part of these financial statements

**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village of Ryley (the Village) 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 Village 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.

Tax Revenue

Annually, the Village 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 Village Council in accordance with legislation and the Village Council approved policies to raise the tax revenue required to meet the Village'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 Village 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).

Cash and Short Term Investments

Cash and cash equivalents consist of cash on deposit, bankers' acceptances, treasury bills and commercial paper, at cost, which approximates market value. These cash equivalents generally mature within 90 days from the date of purchase, are capable of reasonably prompt liquidation and may be used to manage the Village's cash position throughout the year.

Investments

Investments 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 RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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

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 Village receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the Village 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.

Measurement Uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include:

- Estimated accrued receivables.
- Useful lives for tangible capital assets.
- Assessment of impairment of long term assets.
- Estimated accrued payables.

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.

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.

*(continues)*



**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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

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.

Land for Resale

Land for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

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.

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.

Contaminated Sites Liability

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

Non-Financial Assets

Non-financial assets are not available to discharge 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. Non-financial assets include tangible capital assets, inventory of materials and supplies, and other assets.

*(continues)*

**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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

Tangible Capital Assets

Tangible capital assets are stated at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less accumulated amortization of the tangible capital assets, is amortized on a straight-line basis at the following rates:

Land improvements	15 - 30 years
Buildings	20 - 50 years
Machinery and equipment	10 - 30 years
Motor vehicles	10 years
Engineered structures	10 - 75 years

The Village regularly reviews its tangible capital assets to eliminate obsolete items.

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

Impairment of Long Lived Assets

The Village 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.

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.

Cultural and Historical Tangible Capital Assets

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

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.

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.

**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**2. CASH, TEMPORARY INVESTMENTS, AND RESTRICTED CASH**

	<b>2020</b>	<b>2019</b>
Cash and temporary investments	\$ 1,131,592	\$ 565,098
Restricted portion of cash	232,676	78,158
	<b>\$ 1,364,268</b>	<b>\$ 643,256</b>

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 7).

**3. TERM DEPOSITS**

	<b>2020 Cost</b>	<b>2020 Market value</b>	<b>2019 Cost</b>	<b>2019 Market value</b>
1 year term deposit maturing January 2020 at 2.31% per annum	\$ -	\$ -	\$ 1,017,003	\$ 1,017,003

**4. PROPERTY TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE**

Taxes receivable are comprised of:

	<b>2020</b>	<b>2019</b>
Current property taxes and grants in place of taxes	\$ 55,983	\$ 54,067
Arrears property taxes and grants in place of taxes	72,638	63,448
	<b>\$ 128,621</b>	<b>\$ 117,515</b>

**5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS**

Grants and receivables from other governments are comprised of:

	<b>2020</b>	<b>2019</b>
Grants receivable	\$ 191,141	\$ -
Goods and services tax refundable	127,307	34,354
	<b>\$ 318,448</b>	<b>\$ 34,354</b>

**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 465,014	\$ -	\$ 465,014	\$ 465,014
Land improvements	466,943	275,940	191,003	215,378
Engineered structures	8,723,920	4,781,028	3,942,892	2,494,134
Buildings	1,877,631	843,753	1,033,878	1,077,502
Machinery and equipment	695,150	270,541	424,609	450,695
Assets under construction	-	-	-	341,680
Motor vehicles	38,720	38,720	-	351
	<b>\$ 12,267,378</b>	<b>\$ 6,209,982</b>	<b>\$ 6,057,396</b>	<b>\$ 5,044,754</b>

For additional information, see the Schedule of Tangible Capital Assets (Schedule 6).

**7. DEFERRED REVENUE**

Deferred revenue is comprised of:

	2020	2019
Alberta Community Partnership (ACP) Program	\$ 80,565	\$ 53,655
Clean Harbours Community Enhancement Grant	29,231	24,503
Family and Community Support Services (FCSS)	45,819	-
Alberta Municipal Water/Wastewater Partnership Grant	77,061	-
Subtotal	<b>232,676</b>	<b>78,158</b>
Prepaid property taxes	<b>3,960</b>	<b>5,914</b>
	<b>\$ 236,636</b>	<b>\$ 84,072</b>

**Family and Community Support Services (FCSS)**

Funding from the Provincial Government was allocated to the Village in the current year from the Family and Community Support Services (FCSS) to support municipalities in providing social supports for vulnerable Albertans directly and indirectly affected by COVID-19 pandemic. Eligible projects must address the social well-being of those most vulnerable due to COVID-19. Unexpended funds related to the advance, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

**Alberta Municipal Water/Wastewater Partnership Grant**

Funding from the Provincial Government was allocated to the Village from the Alberta Municipal Water/Wastewater Partnership Grant. This cost-shared grant funding is restricted to eligible municipalities to help build facilities for water supply and treatment, and wastewater treatment and disposal. Unexpended funds related to the advance, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

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**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

7. DEFERRED REVENUE (*continued*)

	2020	2019
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**Alberta Community Partnership (ACP) Program Grants**

Funding from the Provincial Government was allocated to the Village from the Alberta Community Partnership (ACP) Program. The program funding is restricted to planning objectives and meditation. Unexpended funds, related to the advances from the Provincial Government, are supported by restricted cash and held exclusively for these projects (refer to Note 2.).

8. LONG TERM DEBT

	2020	2019
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Alberta Capital Finance Authority loan bearing interest at 1.597% per annum, repayable in semi-annual blended payments of \$104,444. The loan matures on December 15, 2021 and is secured by the credit and security of the Village.

\$	206,413	\$	409,568
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Principal reductions over the few years are approximately:

2021	\$	206,413
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Interest on long term debt amounted to \$5,591 (2019 - \$8,799).

9. 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 Ryley, be disclosed as follows:

	2020	2019
Total debt limit	\$ 2,293,325	\$ 2,340,711
Total debt	(206,413)	(409,568)
Amount of debt limit unused	2,086,912	1,931,143
Debt servicing limit	382,221	390,119
Debt servicing	(208,888)	(208,888)
Amount of debt servicing limit unused	\$ 173,333	\$ 181,231

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 RILEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

Equity in tangible capital assets is comprised of:

	<b>2020</b>	<b>2019</b>
Tangible capital assets (Note 6.)	\$ 12,267,378	\$ 10,961,653
Accumulated amortization (Note 6.)	(6,209,982)	(5,916,899)
Long term debt (Note 8)	(206,413)	(409,568)
	<b>\$ 5,850,983</b>	<b>\$ 4,635,186</b>

**11. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Village participate in the Local Authorities Pension Plan (LAPP) which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due. The Village is required to make current service contributions to the LAPP of 9% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 8% of pensionable salary up to the year's maximum pensionable salary and 13% on pensionable salary above this amount.

Total current service contributions by the Village to the LAPP in 2020 were \$32,886 (2019 - \$23,538). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan in 2020 were \$29,617 (2019 - \$21,120).

The LAPP reported a surplus for the overall plan as at December 31, 2019 of \$7,913,261. Information as at December 31, 2020 was not available at the time of preparing these financial statements.

**12. SEGMENTED DISCLOSURE**

The Village of Ryley 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).

**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**13. 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:

			2020	2019
	Salary (1)	Benefits & allowances (2)	Total	Total
T. Magneson - Mayor	\$ 10,140	\$ 349	\$ 10,489	\$ 11,627
B. Ducherer - Councilor	8,390	-	8,390	11,016
C. Heslin - Councilor	12,460	470	12,930	15,217
M. Kowalski - Councilor	5,905	141	6,046	6,454
N. Lee - Councilor	3,920	49	3,969	5,182
A. Harvey - Prior Interim CAO	-	-	-	57,540
Chief Administrative Officer	106,735	16,144	122,879	62,099
Designated Officer	9,750	-	9,750	9,802
	\$ 157,300	\$ 17,153	\$ 174,453	\$ 178,937

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.

**14. FINANCIAL INSTRUMENTS**

The Village is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Village's risk exposure and concentration as of December 31, 2020.

**Credit risk**

Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides may experience financial difficulty and be unable to fulfil their obligations. The Municipality is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade, and other receivables. The large number and diversity of taxpayers and customers minimizes the credit risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Village is exposed to this risk mainly in respect of its receipt of funds from its taxpayers and other related sources, 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 Village manages exposure through its normal operating and financing activities. The Village is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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**VILLAGE OF RYLEY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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14. FINANCIAL INSTRUMENTS *(continued)*

Additional risk

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

15. CONTAMINATED SITES LIABILITY

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2020 (2019 – Nil) as a result of this standard.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

17. COMPARATIVE FIGURES

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

18. BUDGET AMOUNTS

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