

VILLAGE OF RYLEY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

VILLAGE OF RYLEY

DECEMBER 31, 2023

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VILLAGE OF RYLEY

DECEMBER 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Ryley is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Village's consolidated financial position as at December 31, 2023 and the results of its operation for the year then ended.

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

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

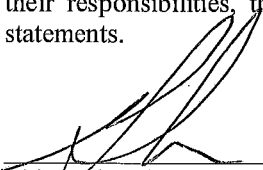
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable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

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

The Village Council carries out its responsibilities for review of the consolidated financial statements principally through its regular meetings of Council. Council meets regularly with management and with 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 consolidated financial statements.

The consolidated financial statements have been audited by Doyle & Company, Chartered Professional Accountants, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outline their responsibilities, the scope of their examination and their opinions on the Village's consolidated financial statements.



Chief Administrative Officer

Date: September 17, 2024
Village of Ryley

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Village of Ryley

Qualified Opinion

We have audited consolidated financial statements of the Village of Ryley, which comprise the statement of consolidated financial position as at December 31, 2023 and the consolidated results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes and schedules to the consolidated financial statements, including summary of significant accounting policies.

In our opinion, except for the effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, the consolidated financial position of the Village of Ryley as at December 31, 2023, the consolidated results of its operations, changes in its consolidated net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We were unable to confirm or verify by alternative means the comparative accounts receivable and accounts payable included in the consolidated statement of financial position as at December 31, 2022. As a result of these matters, we are unable to determine whether any adjustments are necessary in respect of recorded or unrecorded taxes, trade and other receivables, accounts payable and accrued liabilities, and the corresponding elements recorded in the consolidated statement of operations.

In accordance with Canadian public sector accounting standards, the Village of Ryley corrected the error in the current year's figures rather than correcting the comparative information. Our opinion the current year's financial statements is modified because of the effects of this matter on the comparability of the current year's figures and the comparative information.

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 consolidated financial statements section of our report. We are independent of the Village of Ryley in accordance with the 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 qualified opinion.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT - continued

Auditor's Responsibility for the Consolidated Financial Statements

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

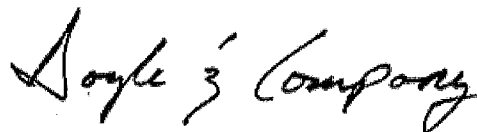
Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality in compliance with the Debt Limit Regulation, a detailed account of the Village's debt limit can be found in Note 10.

Supplementary Accounting Principles and Standard Regulations

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standard Regulations and note the information required can be found in Note 11.

Edmonton, Alberta
September 17, 2024




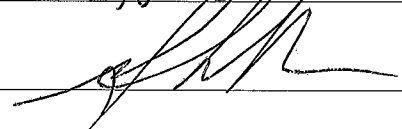
Chartered Professional Accountants

VILLAGE OF RYLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	1,839,642	1,355,812
Accounts receivable:		
Taxes receivable (Note 3)	137,390	124,387
Trade and other receivables (Note 4)	369,610	260,987
Investments in Claystone Waste Limited Partnership (Note 6)	1,128,970	610,434
	3,475,612	2,351,620
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	88,803	287,843
Deposit liabilities	6,111	5,511
Deferred revenue (Note 8)	427,679	349,709
Long-term debt (Note 9)	606,688	804,442
	1,129,281	1,447,505
NET FINANCIAL ASSETS	2,346,331	904,115
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	6,419,663	6,506,965
ACCUMULATED SURPLUS	8,765,994	7,411,080

Approved by Council Resolution:


 _____ Mayor


 _____ Chief Administrative Officer

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
REVENUE			
User fees and sales of goods	98,302	106,144	70,146
Net municipal taxes (Schedule 3)	560,823	563,213	511,486
Government transfers for operating (Schedule 4)	61,675	175,591	93,162
Other	20,000	135,544	14,468
Franchise and concession	36,000	33,736	35,264
Fines, licenses and permits	900	23,595	970
Penalties and costs of taxes	13,500	8,045	14,117
Rentals	14,800	14,228	12,728
Interest and investment income	30,000	77,265	42,079
Clean Harbours	450,000	890,714	492,533
Grants	14,676	287,480	189,343
Subsidiary operations - Claystone Waste	456,127	818,116	584,038
	1,756,803	3,133,671	2,060,334
EXPENSES			
Environmental services	137,227	140,381	82,312
Fire protection and safety services	112,065	87,317	84,213
General government	607,486	597,228	1,404,866
Planning and development	135,282	107,567	37,918
Recreation and culture	412,904	395,823	228,705
Transportation services	343,728	226,748	354,912
	1,748,692	1,555,064	2,192,926
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE (EXPENSES)	8,111	1,578,607	(132,592)
OTHER REVENUE (EXPENSES)			
Amortization of tangible capital assets	(302,061)	(310,118)	(308,249)
Government transfers for capital (Schedule 4)	86,425	86,425	252,570
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(207,525)	1,354,914	(188,271)
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	(207,525)	7,411,080	7,599,351
ACCUMULATED OPERATING SURPLUS, END OF YEAR	(415,050)	8,765,994	7,411,080

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
EXCESS OF REVENUES OVER EXPENSES	-	1,354,914	(188,271)
Acquisition of tangible capital assets	-	(222,816)	(461,472)
Net change in prepaid expenses	-	-	21,148
Amortization of tangible capital assets	-	310,118	308,249
	-	87,302	(132,075)
INCREASE (DECREASE) IN NET ASSETS	-	1,442,216	(320,346)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	-	904,115	1,224,461
NET FINANCIAL ASSETS, END OF YEAR	-	2,346,331	904,115

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and government agencies	2,933,475	2,098,074
Cash paid to suppliers and contractors	(2,328,655)	(2,828,096)
	604,820	(730,022)
CASH OUTFLOWS FOR CAPITAL		
Additions to capital assets	(222,816)	(461,472)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution from Claystone Waste Limited Partnership	299,580	299,580
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(197,754)	(206,211)
NET CHANGE TO CASH	483,830	(1,098,125)
CASH - BEGINNING OF YEAR	1,355,812	2,453,937
CASH - END OF YEAR	1,839,642	1,355,812
Cash is comprised of:		
Cash - operating	491,667	13,853
Restricted cash - internally restricted	1,347,975	1,341,959
	1,839,642	1,355,812

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY
CONSOLIDATED STATEMENT OF CHANGES IN ACCUMULATED OPERATING SURPLUS - SCHEDULE 1
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023 \$	2022 \$
Balance, Beginning of Year	100,486	803,629	6,506,965	7,411,080	7,599,351
Excess (deficiency) of revenue over expenses	1,354,914	-	-	1,354,914	(188,271)
Restricted funds used for tangible capital assets	-	(222,816)	222,816	-	-
Annual amortization expenses	310,118	-	(310,118)	-	-
Change in accumulated surplus	1,665,032	(222,816)	(87,302)	1,354,914	(188,271)
Balance, End of Year	1,765,518	580,813	6,419,663	8,765,994	7,411,080

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures and Equipment	Machinery	Vehicles	2023	2022
							\$	\$
COST:								
Balance, Beginning of year	510,605	466,943	1,877,631	9,705,572	705,430	62,577	13,328,758	12,867,286
Additions	-	-	-	222,816	-	-	222,816	461,472
Balance, End of Year	510,605	466,943	1,877,631	9,928,388	705,430	62,577	13,551,574	13,328,758
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	329,111	928,480	5,203,110	321,179	39,913	6,821,793	6,513,544
Annual amortization	-	24,376	43,624	209,047	31,878	1,193	310,118	308,249
Balance, End of Year	-	353,487	972,104	5,412,157	353,057	41,106	7,131,911	6,821,793
NET BOOK VALUE	510,605	113,456	905,527	4,516,231	352,373	21,471	6,419,663	6,506,965

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY

CONSOLIDATED SCHEDULE OF PROPERTY TAXES - SCHEDULE 3

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
TAXATION			
Real property taxes	697,074	631,870	580,890
Linear property taxes	-	66,294	62,409
	697,074	698,164	643,299
REQUISITIONS			
Alberta School Foundation Fund	107,473	106,173	107,473
Seniors Foundation	28,778	28,778	24,340
	136,251	134,951	131,813
NET MUNICIPAL TAXES	560,823	563,213	511,486

The accompanying notes form part of the financial statements.

VILLAGE OF RILEY

CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited) \$	2023 \$	2022 \$
TRANSFERS FOR OPERATING			
Provincial Government	40,729	127,154	80,922
Local Government	20,946	48,437	12,240
	61,675	175,591	93,162
TRANSFERS FOR CAPITAL			
Provincial Government	86,425	86,425	252,570
TOTAL GOVERNMENT TRANSFERS	148,100	262,016	345,732

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 5
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protective Service	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Claystone Waste LP	Total
REVENUE									\$
Net municipal taxes	563,213	-	-	-	-	-	-	-	563,213
User fees and sales of goods	2,622	-	-	7,500	89,672	6,350	-	-	106,144
Government grants	127,154	-	-	48,437	197,751	-	-	-	373,342
Claystone Good Neighbour grants	-	-	-	157,747	-	-	-	-	157,747
Clean Harbours hosting fee	-	-	-	813,814	-	-	-	-	813,814
Clean Harbour community enhancement grant	-	-	-	76,900	-	-	-	-	76,900
Subsidiary operations	-	-	-	-	-	-	818,116	-	818,116
Investment income	77,265	-	-	-	-	-	-	-	77,265
Other revenue	192,782	210	-	23,385	14,228	-	2,950	-	233,555
	963,036	210	-	23,385	1,118,626	287,423	9,300	818,116	3,220,096
EXPENSES									
Contract & general services	389,318	87,317	47,890	5,866	56,704	39,319	-	-	626,414
Salaries, wages & benefits	125,926	-	77,120	96,544	146,310	78,195	-	-	524,095
Materials, goods & utilities	75,967	-	93,280	5,157	115,856	22,866	-	-	313,126
Transfers to local boards	-	-	-	-	76,900	-	-	-	76,900
Long-term debt interest	-	-	8,458	-	-	-	-	-	8,458
Other expenses	6,071	-	-	-	-	-	-	-	6,071
Balance, End of Year	597,282	87,317	226,748	107,567	395,770	140,380	-	-	1,555,064
EXCESS (SHORTFALL) OF REVENUE BEFORE AMORTIZATION	365,754	(87,107)	(226,748)	(84,182)	722,856	147,043	9,300	818,116	1,665,032
Amortization	17,202	-	182,750	-	58,160	52,006	-	-	310,118
EXCESS (SHORTFALL) OF REVENUE	348,552	(87,107)	(409,498)	(84,182)	664,696	95,037	9,300	818,116	1,354,914

The accompanying notes form part of the financial statements.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Ryley (the "Village") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and cash flows of the reporting entity. This entity is composed of the municipal operations plus all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Claystone Waste Limited Partnership, a subsidiary partnership of the Village, is accounted for on modified equity basis, consistent with the public sector accounting treatment for a government business partnership. Under the modified equity basis, the government business partnership's accounting principles are not adjusted to conform with those of the Village, and inter-organizational transactions and balances are not eliminated. Other comprehensive income (loss) due to fair value adjustments is reported on the statement of operations and accumulated surplus as an adjustment to accumulated surplus.

The schedule of property taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts received from third parties pursuant to legislation, regulations or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

VILLAGE OF RYLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES Continued

c) Use of Estimates

The preparation of consolidated financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

d) Valuation of Financial Assets and Liabilities

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Short-term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Loans receivables and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized Cost

e) Long-term Debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions cost with interest expense recognized used the effective interest method. Long-term debt is subsequently measured at amortized cost.

f) Local Improvement

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 Municipal Government Act, to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owner's share of the improvements is recognized as revenue, and established as a receivable, in the period that the project expenditures are completed.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

g) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue. Assessments are subject to appeal.

h) Asset Retirement Obligation

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 consolidated financial statement date when there is a legal obligation for the Village to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates 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 consolidated financial reporting date, the Village reviews the carrying amount of the liability. The Village recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Village continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

i) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any edibility criteria have been met, and reasonable estimates of the amounts can be determined.

j) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the Consolidated Change in Net Financial Assets (Debt) for the year.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES Continued

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

ii) Amortization

	Years
Land Improvements	15 - 30
Buildings	20 - 50
Engineering Structures	
Roads	25
Curbs, Gutters, Signs, Sidewalks	30
Storm Sewer	75
Water Systems	45 - 75
Sewer Systems	45 - 75
Machinery, Equipment and Furniture	10 - 30
Vehicles	10

One-half of the annual amortization is charged in the year of acquisition. No amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

iii) 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.

iv) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental of 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.

k) Equity in Tangible Capital Assets

Equity in tangible capital assets represents the net investment in total tangible capital assets after deducting the portion financed by third parties. The equity in tangible capital assets is reflected as a component of the accumulated surplus of the municipality.

l) 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 the property tax revenue is reduced. When the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

VILLAGE OF RYLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES Continued

m) Inventories

Inventories of consumable supplies are valued at cost.

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 leveling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

n) Deferred revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of consolidated financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

o) Reserves for Future Expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. The reserve funds are reflected as a component of the accumulated surplus of the municipality.

p) 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.

2. CASH

	2023	2022
	\$	\$
Cash - operating	491,667	154,066
Restricted cash - internally restricted	1,347,975	1,201,746
	1,839,642	1,355,812

Restricted cash is internally restricted held for specific purposes as deemed by Council.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. TAXES RECEIVABLE

	2023	2022
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	137,390	124,387
	137,390	124,387
Less: Allowances for doubtful accounts	-	-
	137,390	124,387

4. TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
Trade and other receivables	110,492	42,382
Municipal Sustainability Initiative - Capital	86,425	86,425
GST receivable	172,693	132,180
	369,610	260,987

5. BANK INDEBTEDNESS

The Village has a revolving line of credit with a maximum limit of \$230,000 (2022 - \$230,000). Interest accrues monthly on the outstanding balance at a rate of prime + 1%. As at December 31, 2023, the prime rate was 7.2% (2022 - 6.4%).

As at December 31, 2023 the Village had not drawn any funds (2022 \$- nil) on the line of credit.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

6. SUBSIDIARY OPERATIONS - CLAYSTONE WASTE LIMITED PARTNERSHIP

Claystone Waste Limited Partnership was formed on August 20, 2020 under the laws of Alberta. The Limited Partnership was formed for the purpose of providing waste management services to partner municipalities and others. The General Partner of the Limited Partnership is Claystone Waste Ltd. And the Limited Partners are the Village of Ryley, Beaver County, Village of Holden, Town of Tofield and Town of Viking.

	2023	2022
	\$	\$
Investment in Limited Partnership:		
Investment, beginning of year	610,434	325,976
Distribution received	(299,580)	(299,580)
Share of net income from partnership	818,116	584,038
Investment, end of year	1,128,970	610,434

The Village of Ryley owns 9.68% of partnership interest of Claystone Waste Limited Partnership.

SUBSIDIARY OPERATIONS - CLAYSTONE WASTE LIMITED PARTNERSHIP - CONTINUED

	2023	2022
	\$	\$
Financial Position:		
Current assets	31,048,039	32,178,650
Property and equipment	38,032,513	34,526,583
Other assets	11,511,330	10,569,427
	80,591,882	77,274,660
Current liabilities	1,177,536	1,844,109
Non-current liabilities	15,026,446	16,327,280
Total liabilities	16,203,982	18,171,389
Partnership equity	64,387,900	59,195,069
	80,591,882	77,366,458
Results of Operations:		
Revenue	29,462,649	26,033,456
Expenses	21,632,431	19,663,008
Gain on disposals of property and equipment	135,576	11,249
Net and comprehensive income	7,965,794	6,381,697
Changes in Partnership Equity:		
Partnership equity - opening	59,195,069	56,346,300
Distributions	(2,999,800)	(2,999,800)
Net income for the period	8,192,631	5,848,569
Partnership equity - ending	64,387,900	59,195,069

During the year, the Village incurred \$22,093 (2022 - \$22,492) in waste collection and disposals fees payable to Claystone Waste Limited Partnership. During the year, Claystone Waste Limited Partnership incurred \$157,747 (2022 - \$125,921) in grants payable to the Village. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates.

VILLAGE OF RYLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

7. ACCOUNTS PAYABLE	2023	2022
	\$	\$
Trade and other payables	88,803	287,843

8. DEFERRED REVENUE	2023	2022
	\$	\$
Municipal Sustainability Initiative - Capital	299,548	299,548
Alberta Community Partnership (ACP) Program	5,161	50,161
Family and Community Support Services (FCSS)	-	-
Clean Harbours Community Enhancement Grant	122,970	-
	427,679	349,709

Included in the Village's deferred revenue are government transfers and grant revenue which are restricted to eligible projects as approved under the funding agreements.

9. LONG-TERM DEBT	2023	2022
	\$	\$
Government of Alberta debenture debt	606,688	804,442

Future minimum principal repayments required to meet existing obligations are as follows:

	Principal	Interest	Total
	\$	\$	\$
2024	199,975	6,236	206,211
2025	202,221	3,990	206,211
2026	204,492	1,719	206,211
	606,688	11,945	618,633

Debenture debt, repayable to Government of Alberta, bears interest at rates ranging from 2.32% to 4.89% per annum. Debenture debt is issued on the credit and security of the Village at large.

The Village's payments for interest during the year were \$8,457 (2022 – \$10,653)

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. 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 follow:

	2023	2022
	\$	\$
Total Debt Limit	4,700,507	3,090,501
Total Debt	(606,688)	(804,442)
Amount of debt limit unused	4,093,819	2,286,059
Debt Service Limit	783,418	515,084
Debt Service	206,212	206,212
Amount of debt service limit unused	577,206	308,872

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

The total debt indicated is comprised of debentures outstanding from Alberta Capital Finance Authority. As a result of spending in excess of the budgeted figures, the debentures earmarked by Alberta Capital Finance Authority for road work have been spent on municipal operations in 2022. The Village will still need to proceed with road work for which the debentures were originally intended for in 2023 and 2024.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

11. SALARY AND BENEFITS DISCLOSURE

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

	2023		2022	
	Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
Mayor:				
N. Lee	4,520	228	4,748	21,400
B. Ducherer	9,690	-	9,690	-
L. Knockleby	1,580	59	1,639	-
Councilors:				
N. Herrik	3,880	-	3,880	13,860
B. Ducherer	2,278	-	2,278	9,385
S. Reid	4,167	74	4,241	8,570
A. Short	-	-	-	6,715
S. Dennis	2,807	74	2,881	-
K. Murphy	3,284	97	3,381	-
L. Knockleby	6,220	217	6,437	-
Chief Administrative Officer(s)				
	101,162	9,076	110,238	-
Former Chief Administrative Officer(s)				
	-	-	-	45,384
Transitional Solutions	-	-	-	332,025
Wildman Enterprises	-	-	-	4,955
	139,588	9,825	149,413	442,294

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, severance pay, gross honoraria and any other direct cash remuneration. Any training and reimbursement of expenses are not included in the above figures.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including contributions to the pension plan, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships, tuition and travel.

VILLAGE OF RYLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

12. SEGMENTED DISCLOSURE

The Village provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 5).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police, and fire. Transportation includes roads, streets, walks and lighting. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management.

13. LOCAL AUTHORITIES PENSION PLAN

Employees of the Village participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by Alberta Public Sector Pension Plans Act. The LAPP serves approximately 275,863 people and 433 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Village is required to make current service contributions to the LAPP of 7.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.23% on pensionable earnings above this amount. Employees of the Village are required to make a current service contribution of 8.45% of pensionable salary up to the year's maximum pensionable salary and 12.23% on pensionable salaries above this amount.

Total current service contributions by the Village to the LAPP in 2023 were \$15,867 (2022 – \$15,871). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan in 2023 were \$14,113 (2022 - \$14,061)

At December 31, 2023, the LAPP disclosed an actuarial surplus of 15.05 billion.

VILLAGE OF RYLEY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

14. CONTINGENCIES

In the normal course of business there may be pending claims by and against the Village. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these litigations will not materially affect the Village's financial position or results of operations.

Within Claystone Waste Limited Partnership, there are contingencies disclosed as follows:

Under the Technology Innovation and Emissions Reduction Regulation, a landfill site can become a registered and regulated facility when the estimated equivalent carbon dioxide emissions exceed 100,000 tonnes based on the regulation's prescribed method. The prescribed method calculated that the landfill site had emissions in excess of the threshold. Field tests completed using emission detection equipment measured carbon dioxide below the 100,000 tonne threshold and therefore a request was submitted to have the landfill site removed from the registry of regulated facilities and to have payments made returned. The request was successful. The landfill site will continue to be monitored to ensure the threshold is not reached.

Should the partnership be added to the registry in the future, annual payments would be required based partially on emissions for waste accepted at the landfill site up to December 31, 2021. An estimate of the total of these annual payments or the likelihood of becoming registered in the future cannot be made and therefore an estimate of its financial effect cannot be measured.

The Limited Partnership contracted a vendor to construct certain property and equipment. The vendor is claiming an additional \$412,096 is payable which is disputed by the Limited Partnership. It is the opinion of management that the success of the Limited Partnership is not determinable in this dispute. Nothing has been recorded in respect of the disputed amount.

15. COMMITMENTS

Capital commitments are not reflected in the consolidated financial statements. These capital commitments were included in the Village's capital budget and will be funded from government transfers for capital, reserves, and debt in future years.

The Village has entered into agreements related to cost shares and other contracts. The commitments over the next two years are as follows:

2024	9,546
2025	2,592

Within Claystone Waste Limited Partnership, there are commitments disclosed as follows:

The Limited Partnership has entered into a commitment to purchase equipment for cash consideration of \$875,000 of which no amount was paid or payable as at December 31, 2023.

16. BUDGET FIGURES

The 2023 budget figures which appear in these consolidated financial statements have been approved by council.

VILLAGE OF RYLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

17. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Village is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2023.

At each financial reporting date, the Village reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Village continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at December 31, 2023, the Village has not identified a liability for contaminated sites.

18. ASSET RETIREMENT OBLIGATION

The Village has adopted PS 3280 Asset Retirement Obligations. The Village is legally required to perform abatement activities upon renovation or demolition of any buildings containing asbestos. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The Village did not identify any assets that required a financial liability to be set up as a result of the asbestos abatement for 2023.

19. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements.

20. COMPARATIVE FIGURES

Certain prior year comparative figures have been restated to conform to the presentation adopted by the Village in the current year.