

VILLAGE OF CHAUVIN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Brian King Professional Corporation

Box 560, Hardisty, Alberta T0B 1V0

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Chauvin:

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of the Village of Chauvin (the Entity), which comprise the consolidated statement of financial position as at December 31, 2024, and the results of its operations, changes in its net financial assets (debt) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Chauvin as at December 31, 2024, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 financial statements, management is responsible for assessing the Entity'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 cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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- 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.


I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- **Debt Limit Regulation:**
In accordance with Alberta Regulation 255/2000, I 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 5.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, I 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 9.

M.D. of Wainwright
March 10, 2025


Brian King Professional Corporation
Chartered Professional Accountant

VILLAGE OF CHAUVIN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and term deposits (Note 2)	2,217,109	2,244,086
Taxes and grants in place of taxes (Note 3)	116,174	100,032
Trade and other receivables	74,026	56,098
Receivable from other governments	49,996	43,718
Other financial assets	32,345	20,999
	<u>2,489,650</u>	<u>2,464,933</u>
LIABILITIES		
Accounts payable and accrued liabilities	97,488	82,622
Deposits held in trust	700	700
Deferred revenue (Note 4)	112,601	254,205
	<u>210,789</u>	<u>337,527</u>
NET FINANCIAL ASSETS	<u>2,278,861</u>	<u>2,127,406</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	5,376,920	5,033,572
Inventory held for resale	55,582	57,835
Prepaid expenses	35,115	39,267
	<u>5,467,617</u>	<u>5,130,674</u>
ACCUMULATED SURPLUS (NOTE 7)	<u>7,746,478</u>	<u>7,258,080</u>
<i>Commitments and contingencies - See Note 10</i>		

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (unaudited)	2024	2023
REVENUE			
Net municipal property taxes (Schedule 3)	391,647	385,405	377,054
User fees and sales of goods	413,975	394,509	446,132
Penalties and costs on taxes	13,500	16,984	15,370
Licenses and permits	705	685	935
Fines	50	-	250
Franchise and concession contracts	35,000	40,298	38,618
Investment income	27,600	84,658	72,095
Rentals	18,400	20,073	14,854
Government transfers for operating	243,817	404,106	392,046
Other	3,750	24,819	59,334
	1,148,444	1,371,537	1,416,688
EXPENSES			
Legislative	24,000	25,799	29,248
Administration	148,272	181,336	202,222
Protective services	174,917	159,077	168,805
Transportation	230,229	240,909	258,762
Water supply and distribution	94,825	107,621	116,881
Wastewater treatment and disposal	61,069	110,855	71,771
Waste management	70,950	66,888	64,651
Public health and welfare	7,097	7,848	7,480
Planning and development	750	-	-
Recreation	142,112	198,069	143,677
Culture	12,495	8,860	10,664
Gas system	180,771	156,433	182,549
Amortization	5,000	262,058	250,781
	1,152,487	1,525,753	1,507,491
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(4,043)	(154,216)	(90,803)
OTHER			
Government transfers for capital (Schedule 4)	1,000	642,614	132,644
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(3,043)	488,398	41,841
ACCUMULATED SURPLUS, BEGINNING OF YEAR	7,258,080	7,258,080	7,216,239
ACCUMULATED SURPLUS, END OF YEAR	7,255,037	7,746,478	7,258,080

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CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (unaudited)	2024	2023
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(3,043)	488,398	41,841
Acquisition of tangible capital assets	-	(605,406)	(411,588)
Amortization of tangible capital assets	5,000	262,058	250,781
Net (increase) decrease of inventory held for resale	-	2,253	754
Net (increase) decrease of prepaid assets	-	4,152	12,400
INCREASE IN NET FINANCIAL ASSETS	1,957	151,455	(105,812)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>2,127,406</u>	<u>2,127,406</u>	<u>2,233,218</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>2,129,363</u>	<u>2,278,861</u>	<u>2,127,406</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	488,398	41,841
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	262,058	250,781
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(16,142)	(15,998)
Decrease (increase) in trade and other receivables	(17,928)	33,055
Decrease (increase) in due from other governments	(6,278)	114,211
Decrease (increase) in inventory held for resale	2,253	754
Decrease (increase) in prepaid expenses	4,152	12,400
Decrease (increase) in other financial assets	(11,346)	(10,411)
Increase (decrease) in accounts payable and accrued liabilities	14,866	(22,350)
Increase (decrease) in deferred revenue	(141,604)	36,231
	578,429	440,514
CAPITAL		
Acquisition of tangible capital assets	(605,406)	(411,588)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	128,223	(121,581)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	101,246	(92,655)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,035,678	2,128,333
CASH AND CASH EQUIVALENTS, END OF YEAR	2,136,924	2,035,678
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash on hand	200	200
Cash in bank	1,890,127	1,510,646
Term deposits (Note 2)	326,782	733,240
Less: restricted portion of cash and temporary investments (Note 2)	(80,185)	(208,408)
	2,136,924	2,035,678

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SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	896,267	1,328,241	5,033,572	7,258,080	7,216,239
Excess (deficiency) of revenues over expenses	488,398	-	-	488,398	41,841
Unrestricted funds designated for future use	(177,051)	177,051	-	-	-
Current year funds used for tangible capital assets	(605,406)	-	605,406	-	-
Annual amortization expense	262,058	-	(262,058)	-	-
Change in accumulated surplus	(32,001)	177,051	343,348	488,398	41,841
BALANCE, END OF YEAR	<u>864,266</u>	<u>1,505,292</u>	<u>5,376,920</u>	<u>7,746,478</u>	<u>7,258,080</u>

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 2)

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2024	2023
COST:								
Balance - beginning of year	102,668	278,330	882,281	6,871,924	1,074,766	182,679	9,392,648	8,981,060
Acquisition of tangible capital assets	-	-	423,343	46,468	135,595	-	605,406	411,588
Balance - end of year	102,668	278,330	1,305,624	6,918,392	1,210,361	182,679	9,998,054	9,392,648
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	39,237	254,803	3,374,405	538,838	151,793	4,359,076	4,108,295
Annual amortization	-	13,585	22,857	155,297	60,174	10,145	262,058	250,781
Balance - end of year	-	52,822	277,660	3,529,702	599,012	161,938	4,621,134	4,359,076
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	102,668	225,508	1,027,964	3,388,690	611,349	20,741	5,376,920	5,033,572
OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	102,668	239,093	627,478	3,497,519	535,928	30,886	5,033,572	

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CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 3)

	Budget (Unaudited)	2024	2023
TAXATION			
Real property taxes	346,730	340,488	339,385
Linear property taxes	110,075	110,075	101,499
	<u>456,805</u>	<u>450,563</u>	<u>440,884</u>
REQUISITIONS			
Alberta School Foundation	61,443	61,443	60,115
Battle River Foundation	3,715	3,715	3,715
	<u>65,158</u>	<u>65,158</u>	<u>63,830</u>
NET MUNICIPAL TAXES	<u>391,647</u>	<u>385,405</u>	<u>377,054</u>

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CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 4)

	Budget (Unaudited)	2024	2023
TRANSFERS FOR OPERATING			
Federal Government	-	5,319	10,000
Provincial Government	500	98,636	98,636
Local Governments	243,317	300,151	283,410
	243,817	404,106	392,046
TRANSFERS FOR CAPITAL			
Federal Government	1,000	66,948	50,000
Provincial Government	-	436,273	-
Local Governments	-	139,393	82,644
	1,000	642,614	132,644
TOTAL GOVERNMENT TRANSFERS	244,817	1,046,720	524,690

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CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 5)

	Budget (Unaudited)	2024	2023
Expenditures			
Salaries, wages and benefits	422,754	428,945	406,337
Contracted and general services	257,862	379,762	374,187
Materials, goods and utilities	316,666	313,032	385,250
Provision for allowances	500	1,956	6,174
Transfers to other governments	375	14,170	9,889
Transfers to local boards and agencies	141,080	112,332	69,881
Transfers to individuals and agencies	-	600	600
Other expenditures	8,250	12,898	4,392
Amortization of tangible capital assets	5,000	262,058	250,781
	<u>1,152,487</u>	<u>1,525,753</u>	<u>1,507,491</u>

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SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Gas System	Total
REVENUE									
Net municipal property taxes (Schedule 2)	385,405	-	-	-	-	-	-	-	385,405
User fees and sales of goods	175	32,175	-	201,429	-	-	4,523	156,207	394,509
Penalties and costs on taxes	14,998	-	-	1,986	-	-	-	-	16,984
Licenses and permits	-	685	-	-	-	-	-	-	685
Franchise and concession contracts	40,298	-	-	-	-	-	-	-	40,298
Investment income	54,135	1,917	-	-	-	-	13,403	15,203	84,658
Rentals	20,073	-	-	-	-	-	-	-	20,073
Government transfers	98,636	104,467	2,421	3,245	-	-	195,337	-	404,106
Other	3,486	19,556	-	100	-	-	-	1,677	24,819
	<u>617,206</u>	<u>158,800</u>	<u>2,421</u>	<u>206,760</u>	<u>-</u>	<u>-</u>	<u>213,263</u>	<u>173,087</u>	<u>1,371,537</u>
EXPENSES									
Salaries, wages and benefits	123,049	66,799	110,467	96,763	2,023	-	5,737	24,107	428,945
Contracted and general services	61,990	48,623	41,623	146,038	12	-	39,417	42,059	379,762
Materials, goods and utilities	16,960	27,402	85,922	42,563	2,253	-	53,003	84,929	313,032
Provision for allowances	1,956	-	-	-	-	-	-	-	1,956
Transfers to other governments	-	14,170	-	-	-	-	-	-	14,170
Transfers to local boards and agencies	-	-	-	-	3,560	-	108,772	-	112,332
Transfers to individuals and agencies	600	-	-	-	-	-	-	-	600
Other expenditures	2,580	2,083	2,897	-	-	-	-	5,338	12,898
	<u>207,135</u>	<u>159,077</u>	<u>240,909</u>	<u>285,364</u>	<u>7,848</u>	<u>-</u>	<u>206,929</u>	<u>156,433</u>	<u>1,263,695</u>
NET REVENUE, BEFORE AMORTIZATION	<u>410,071</u>	<u>(277)</u>	<u>(238,488)</u>	<u>(78,604)</u>	<u>(7,848)</u>	<u>-</u>	<u>6,334</u>	<u>16,654</u>	<u>107,842</u>
AMORTIZATION AND DISPOSAL OF ASSETS									
Amortization of tangible capital assets	<u>3,367</u>	<u>39,982</u>	<u>129,772</u>	<u>67,191</u>	<u>-</u>	<u>-</u>	<u>19,327</u>	<u>2,419</u>	<u>262,058</u>
NET REVENUE	<u><u>406,704</u></u>	<u><u>(40,259)</u></u>	<u><u>(368,260)</u></u>	<u><u>(145,795)</u></u>	<u><u>(7,848)</u></u>	<u><u>-</u></u>	<u><u>(12,993)</u></u>	<u><u>14,235</u></u>	<u><u>(154,216)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Chauvin are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

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 change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the village are, therefore accountable to the Council for the administration of their financial affairs and resources.

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

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

b) Basis of Accounting

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) 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.

e) 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.

f) Inventories 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.

g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Tax revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

i) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the village is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

j) 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.

k) Non-Financial Assets

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

i. Tangible Capital Assets

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

	YEARS
Buildings	35-50
Engineered structures - other	15-75
Engineered structures - water system	40-75
Engineered structures - wastewater system	25-75
Land improvements	20-40
Machinery and equipment	5-50
Vehicles	7-25

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

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

v. Cultural and Historical Tangible Capital Assets

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

2. CASH AND TERM DEPOSITS

	<u>2024</u>	<u>2023</u>
Term deposits are held at Vision Credit Union Limited and bear interest at 2.0% and are redeemable in 2025		
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 4)		
Canada Community Building Fund	10,762	-
Municipal Sustainability Initiative - capital	-	200,101
MD of Wainwright	<u>60,607</u>	-
	<u>71,369</u>	<u>200,101</u>
Other deferred revenue	<u>8,816</u>	<u>8,307</u>
Total restricted cash and term deposits	<u><u>140,792</u></u>	<u><u>408,509</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2024</u>	<u>2023</u>
Current taxes and grants in place of taxes	35,709	34,671
Arrears taxes	58,133	46,002
Property held by the village as a result of tax forfeiture	41,450	37,199
	<u>135,292</u>	<u>117,872</u>
Less: allowance for doubtful accounts	19,118	17,840
	<u>116,174</u>	<u>100,032</u>

4. DEFERRED INCOME

Deferred income consists of the following:	<u>2024</u>	<u>2023</u>
Municipal Sustainability Initiative - capital	-	200,101
Canada Community Building Fund	10,762	-
Municipal District of Wainwright #61	60,607	-
Federation of Canadian Municipalities	21,667	33,317
Prepaid property taxes	10,749	12,480
Other deferred revenue	8,816	8,307
	<u>112,601</u>	<u>254,205</u>

VILLAGE OF CHAUVIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

5. 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 Chauvin be disclosed as follows:

	<u>2024</u>	<u>2023</u>
Total debt limit	<u>2,057,306</u>	<u>2,125,032</u>
Total debt	-	-
Surplus debt limit	<u>2,057,306</u>	<u>2,125,032</u>
Debt servicing limit	<u>342,884</u>	<u>354,172</u>
Debt servicing	-	-
Surplus debt servicing	<u>342,884</u>	<u>354,172</u>

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

6. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Tangible capital assets (Schedule 2)	<u>9,998,054</u>	<u>9,392,648</u>
Accumulated amortization (Schedule 2)	<u>(4,621,134)</u>	<u>(4,359,076)</u>
	<u>5,376,920</u>	<u>5,033,572</u>

VILLAGE OF CHAUVIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

7. ACCUMULATED SURPLUS

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

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	<u>864,266</u>	<u>896,267</u>
Restricted surplus		
General	30,000	30,000
Fire department	274,924	232,175
Water system	142,100	130,325
Sewer system	159,678	148,023
Garbage collection	25,000	25,000
Recreation	372,859	274,122
Gas system	500,731	488,596
	<u>1,505,292</u>	<u>1,328,241</u>
Equity in tangible capital assets	<u>5,376,920</u>	<u>5,033,572</u>
	<u>7,746,478</u>	<u>7,258,080</u>

8. SEGMENTED DISCLOSURE

The Village of Chauvin 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 6)

VILLAGE OF CHAUVIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

9. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary	Benefits & Allowances	Total	Total
Donally	6,553	182	6,735	6,913
Dow	3,416	-	3,416	3,750
Prokopetz	2,720	-	2,720	3,046
Skinner	5,208	-	5,208	6,797
Snow	2,906	-	2,906	3,076
CAO	86,643	8,356	94,999	89,258
Designated Officer (1)	9,848	-	9,848	8,688

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

10. CONTINGENCIES

The village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

VILLAGE OF CHAUVIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

11. FINANCIAL INSTRUMENTS

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

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

Unless otherwise noted, the fair value of these financial instruments approximates their fair value.

12. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.