

Village of Caroline
Consolidated Financial Statements
For the year ended December 31, 2024

Management's Responsibility for Reporting

The management of Clearwater County as the successor to the former Village of Caroline following amalgamation effective January 1, 2025, is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements of the former Village of Caroline and the notes thereto.

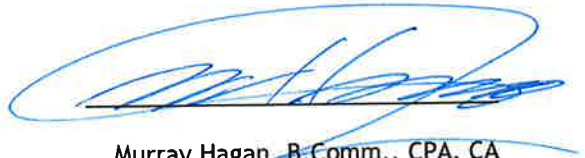
The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management of the former entity designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system was designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Council of Clearwater County as the successor governing body to the former Village of Caroline, is responsible for overseeing management in the performance of its reporting responsibilities, and for approving the financial statements. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council of the former entity were responsible for recommending the appointment of the external auditors. The consolidated financial statements have been audited by the independent firm of BDO Canada LLP, Chartered Professional Accountants. Their report to the Council of Clearwater County as the successor to the former Village of Caroline, stating the scope of their examination and opinion on the consolidated financial statements follows.



Rick Emmons
Chief Administrative Officer
Clearwater County



Murray Hagan, B.Comm., CPA, CA
Chief Financial Officer
Clearwater County

Village of Caroline
Consolidated Financial Statements
For the year ended December 31, 2024

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Independent Auditor's Report

To the Reeve and Council of Clearwater County

Opinion

We have audited the consolidated financial statements of Village of Caroline and its controlled or owned organizations (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of operations, consolidated statement of changes in net financial assets, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and its consolidated financial performance and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.

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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 1 to the financial statements, which explains certain comparative information presented for the year ended December 31, 2023, has been restated. Our opinion is not modified in respect of this matter.

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 Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of 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 financial statements.



Independent Auditor's Report, continued

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:

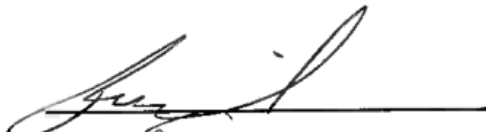
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and
- obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants
Calgary, Alberta
October 16, 2025

Village of Caroline
Consolidated Statement of Financial Position

December 31	2024	2023
		Restated (see Note 1)
Financial assets		
Cash and cash equivalents (Note 2)	\$ 1,378,369	\$ 1,373,824
Taxes receivable (Note 3)	143,817	197,544
Accounts receivable (Note 4)	214,644	131,965
	<u>1,736,830</u>	<u>1,703,333</u>
Liabilities		
Accounts payable and accrued liabilities	191,332	145,702
Deferred revenue (Note 2, Note 5)	526,001	277,984
Long-term debt (Note 6)	64,821	107,046
Asset retirement obligation (Note 8)	152,821	145,668
	<u>934,975</u>	<u>676,400</u>
Net financial assets	<u>801,855</u>	<u>1,026,933</u>
Non-financial assets		
Tangible capital assets (Note 7)	<u>7,724,699</u>	<u>7,672,452</u>
Accumulated Surplus (Note 10)	<u>\$ 8,526,554</u>	<u>\$ 8,699,385</u>
Debt limits (Note 18)		
Commitments (Note 19)		

 Chief Administrative Officer (Clearwater County)
 Reeve (Clearwater County)

Village of Caroline
Consolidated Statement of Operations

For the year ended December 31	Budget 2024	2024	2023
			Restated (see Note 1)
Revenue			
Net municipal taxes (Note 12)	\$ 529,743	\$ 520,873	\$ 549,094
Government transfers for operating (Note 14)	193,878	199,245	197,649
Sales and user fees	467,425	326,772	602,612
Franchises and concessions	160,000	127,478	138,313
Investment income	3,000	56,408	20,674
Gain on disposal of assets	-	11,166	-
Penalties and costs on taxes	7,000	12,611	40,373
Licences and permits	10,000	8,792	5,153
	<u>1,371,046</u>	<u>1,263,345</u>	<u>1,553,868</u>
Expenditures (Note 15)			
Legislative	34,270	29,593	20,639
Administration	471,221	606,942	438,891
Protective services	62,163	42,088	32,157
Transportation services	253,522	451,196	512,518
Water and wastewater	313,521	334,368	423,703
Waste management	80,628	70,607	189,763
Planning and development	16,500	10,100	8,891
Recreation and parks	113,341	192,847	120,101
Public health and welfare	25,880	13,850	9,427
	<u>1,371,046</u>	<u>1,751,591</u>	<u>1,756,090</u>
Excess (deficiency) of revenue over expenditures - before other	-	(488,246)	(202,222)
Other			
Government transfers for capital (Note 14)	-	107,330	167,476
Contributed assets	-	208,085	238,467
	<u>-</u>	<u>(172,831)</u>	<u>203,721</u>
Excess (deficiency) of revenue over expenditures	-	(172,831)	203,721
Accumulated surplus, beginning of the year	8,699,385	8,699,385	8,495,664
Accumulated surplus, end of year	<u>\$ 8,699,385</u>	<u>\$ 8,526,554</u>	<u>\$ 8,699,385</u>

Village of Caroline
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2024	2024	2023
			Restated (see Note 1)
Excess (deficiency) of revenue over expenditures	\$ -	\$ (172,831)	\$ 203,721
Acquisition of tangible capital assets	-	(238,095)	(153,266)
Amortization of tangible capital assets	-	393,191	495,501
Net (gain) loss on sale of tangible capital assets	-	(11,166)	-
Proceeds on sale of tangible capital assets	-	19,060	-
Contributed assets	-	(208,085)	(238,467)
ARO capital asset adjustment	-	-	(25,981)
	-	(217,926)	281,508
Change in ARO liability	-	(7,152)	(6,818)
Net change in net financial assets	-	(225,078)	274,690
Net financial assets, beginning of year	1,026,933	1,026,933	752,243
Net financial assets, end of year	\$ 1,026,933	\$ 801,855	\$ 1,026,933

Village of Caroline
Consolidated Statement of Cash Flows

For the year ended December 31	2024	2023
		Restated (see Note 1)
Operating transactions		
Excess of revenue over expenditures	\$ (172,831)	\$ 203,721
Items not involving cash		
Contributed assets	(208,085)	(238,467)
Amortization	393,191	495,501
Net loss (gain) on disposal of tangible capital assets	(11,166)	-
Amortization adjustment	-	(50,001)
ARO Adjustment	-	(25,981)
Changes in non-cash operating balances		
Taxes receivable	53,727	(75,541)
Accounts receivable	(81,907)	151,403
Accounts payable and accrued liabilities	45,631	9,850
Asset retirement obligation	-	145,670
Deferred revenue	248,017	24,650
Accretion expense	(7,153)	(6,819)
	<u>259,424</u>	<u>633,986</u>
Capital transactions		
Acquisition of tangible capital assets	(238,095)	(153,266)
Proceeds on sale of tangible capital assets	19,060	-
	<u>(219,035)</u>	<u>(153,266)</u>
Investing transactions		
Restricted cash balances	(241,636)	(24,650)
	<u>(241,636)</u>	<u>(24,650)</u>
Financing transactions		
Repayment of long-term debt	(42,225)	(41,451)
	<u>(42,225)</u>	<u>(41,451)</u>
Net change in cash and cash equivalents	(243,472)	414,619
Cash and cash equivalents, beginning of year	1,095,840	681,221
Cash and cash equivalents, end of year	<u>\$ 852,368</u>	<u>\$ 1,095,840</u>
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 1,378,369	\$ 1,373,824
Less: restricted (Note 2)	(526,001)	(277,984)
	<u>\$ 852,368</u>	<u>\$ 1,095,840</u>

Village of Caroline

Summary of Significant Accounting Policies

December 31, 2024

**Management's
Responsibility for the
Financial Statements**

The consolidated financial statements of the Village are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue and change in fund balances and in financial position of the reporting entity. The entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village council for the administration of their financial affairs and resources. Included with the municipality are the following:

Village of Caroline Public Library

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

Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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 or goods have yet to be provided.

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

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value (hierarchy level one - quoted market prices). All other financial instruments are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealised gains and losses from changes in the fair value of financial

Village of Caroline

Summary of Significant Accounting Policies

December 31, 2024

instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue and or expenses.

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment losses are recorded in the statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expense for financial instruments measured at fair value.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	15 to 25 years
Buildings	50 years
Engineered Structures	15 to 75 years
Machinery, equipment and furnishings	5 to 40 years
Vehicles	10 years

Village of Caroline

Summary of Significant Accounting Policies

December 31, 2024

Excess Collections and Under-levies

Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.

Collection of Taxes on Behalf of Other Taxation Authorities

The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

The entities the Village collects taxation revenue on behalf of are:
Alberta School Foundation Fund
Red Deer Catholic School Fund
Seniors Requisition Fund

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

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 consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

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. Transfers where stipulations give rise to a liability are recognized as revenue as the stipulation liabilities are settled.

Village of Caroline

Summary of Significant Accounting Policies

December 31, 2024

Revenue Recognition	Taxes are recognized as revenue in the year they are levied. Revenue from transactions with no performance obligation is recognized at realizable value when the Village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset. Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established. Where funds are received in advance of services or with specific restrictions, they are recorded as deferred revenue and recognized in the period when the performance obligation is satisfied. Sales of service and other revenue is recognized on an accrual basis.
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. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts
Long-term Debt	Long-term debt is initially recognized net of any premiums, discounts, fees and transaction costs, with interest expenses recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.
Asset Retirement	A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the 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.

Village of Caroline
Summary of Significant Accounting Policies

December 31, 2024

Asset Retirement (Continued)

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

At each financial reporting date, the 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.

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 annual surplus, provides the consolidated change in net financial assets for the year.

**Contributions of
Tangible Capital
Assets**

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

**Public Private
Partnerships**

The Village accounts for public private partnerships in accordance with PS3160. Infrastructure procured through a P3 arrangement is recognized as a tangible capital asset when the Village controls the asset. A liability is recognized for any amounts owing to the private sector partner under the agreement. As at year-end, the Village had not entered into any public private partnership arrangements.

Village of Caroline

Summary of Significant Accounting Policies

December 31, 2024

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management estimates are used in determining the useful life of tangible capital assets and the value of asset retirement obligations.

New Accounting Policies Adopted During the Year

PS 3400 Revenue, the Village recognizes revenue in accordance with Public Sector Accounting Standard PS 3400 - Revenue, which differentiates between exchange transactions (where both parties receive goods/services of approximately equal value) and non-exchange transactions (where one party receives goods/services without directly giving equal value in return).

PS 3160 Public Private Partnerships, the Village has adopted Public Sector Accounting Standard (PS) 3160 - Public Private Partnerships as part of its accounting policies. At the reporting date, the Village does not have any Public-Private Partnership arrangements, and therefore, this standard does not impact the financial statements for the current period. If the Village enters into a P3 arrangement in the future, it will be accounted for in accordance with PS 3160.

Village of Caroline

Summary of Significant Accounting Policies

December 31, 2024

1. Prior Period Adjustment

(a) During the year, management corrected contributed assets related to prior periods that had not been previously recognized in the financial statements.

(b) Effective January 1, 2024, the Village adopted the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

(c) In addition, management determined that amortization errors were made in prior years resulting in capital assets with negative net book values. These values were adjusted to remove the negative net book value assets resulting in an adjustment to accumulated surplus and accumulated amortization.

The impact of prior period adjustments are as follows:

	2023 as Reported		Adjusted	2023 Restated
Statement Operations	\$		\$	\$
Expense changes:				
Accretion expense	-	(b)	6,818	6,818
Amortization expense	490,342	(a,b)	5,159	495,501
Excess/(deficiency) of revenue over expenditures before other	(190,247)		(11,975)	(202,222)
Government transfers for capital/contributed assets	167,476	(a)	238,467	405,943
Accumulated surplus, beginning of the year	8,458,247	(b)	37,417	8,495,664
Accumulated surplus, end of the year	8,435,476	(b)	263,909	8,699,385
Statement of Financial Position	\$		\$	\$
Asset retirement obligation	-	(b)	145,668	145,668
Solid waste closure and post closure liability	106,050	(b)	(106,050)	-
Liabilities total	636,782	(b)	39,618	676,400
Tangible capital assets cost	18,354,208	(a,b,c)	258,895	18,613,103
Accumulated amortization	(10,985,283)	(a,b,c)	44,632	(10,940,651)
Tangible capital assets	7,368,925		303,527	7,672,452
Accumulated surplus	8,435,476		263,909	8,699,385

Village of Caroline
Summary of Significant Accounting Policies

December 31, 2024

1. Prior Period Adjustment (continued)

	2023 as Reported		Adjusted	2023 Restated
Statement of Change in net Financial Assets				
Excess (deficiency) of revenue of expenses	(22,769)	(a,b,c)	226,490	203,721
Amortization of capital assets	490,343	(a,b,c)	5,158	495,501
Contributed assets	-	(a)	(238,467)	(238,467)
Change in asset retirement obligation	-	(b)	(6,818)	(6,818)
Asset retirement obligation adjustment	-	(b)	(25,981)	(25,981)
Net Financial Assets (debt), end of the year	1,066,551	(a,b,c)	(39,618)	1,026,933

2. Cash and Cash Equivalents

	2024	2023
Current chequing and savings accounts	\$ 1,378,369	\$ 1,373,824

The Village has a demand revolving loan facility to a maximum of \$250,000, bearing interest at prime (effective rate of 5.45%). Security for the loan is on the property taxes of the Village. As at December 31, 2024 \$nil (2023 - \$nil) was drawn upon this credit facility. The Village earns up to 0.5% annually on balances in both the chequing and savings account.

Included in the above amounts are the following amounts received from the Government of Canada and the Province of Alberta as conditional grants held exclusively for future projects.

	2024	2023
LGFF	284,347	-
CCBF	172,920	138,093
MSI Capital	63,668	132,682
Other	5,066	7,209
	\$ 526,001	\$ 277,984

Village of Caroline
Summary of Significant Accounting Policies

December 31, 2024

3. Taxes Receivable

	2024	2023
Current taxes and grants in place	\$ 72,068	\$ 130,317
Non-current taxes and grants in place	71,749	67,227
	\$ 143,817	\$ 197,544

4. Accounts Receivable

	2024	2023
Trade receivables	\$ 163,028	\$ 120,239
GST receivable	51,616	11,726
	\$ 214,644	\$ 131,965

5. Deferred Revenue

	Opening balance	Contributions received	Revenue recognized	Ending balance
Municipal Sustainability Initiative - Operating	\$ -	132,878	(132,878)	\$ -
Municipal Sustainability Initiative - Capital	132,682	-	(69,014)	63,668
CCBF	138,093	77,381	(42,554)	172,920
LGFF	-	284,347	-	284,347
Other	7,209	-	(2,143)	5,066
Library	-	59,986	(59,986)	-
	\$ 277,984	554,592	(306,575)	\$ 526,001

Grants

Under various grant agreements with the Government of Canada and the Province of Alberta, the Village is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source government. Unexpended funds are repayable to the source government upon final accounting. Funds are deferred until related expenditures under the specific grant agreement have been incurred.

Village of Caroline
Summary of Significant Accounting Policies

December 31, 2024

5. Deferred Revenue (continued)

Municipal Sustainability Initiative (MSI)

The Province provides conditional grant funding through this program to assist with various operating expenditures in the Village. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

The Province provides conditional grant funding through the capital program to assist with various capital expenditures in the Village. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Canada Community Building Fund (CCBF)

The Government of Canada provides Alberta Transportation with a grant restricted to eligible expenditures as approved under the funding agreement.

6. Long-Term Debt

Net long-term debt reported on the statement of financial position is comprised of the following:

	2024	2023
Alberta Capital Finance Authority Debenture, bearing interest at 1.86% per year, due 2026.	64,821	107,046

Interest on long-term debt amounted to \$1,796 (2023 - \$2,570) in the year.

Principal and interest payments relating to net long term debt of \$64,821 outstanding are due as follows:

	Principal Repayments	Interest Payments	Total
2025	\$ 43,014	\$ 1,209	\$ 44,223
2026	21,807	203	22,010
	\$ 64,821	\$ 1,412	\$ 66,233

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

7. Tangible Capital Assets

	2024						
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Total
Cost, beginning of year	\$ 200,377	\$ 441,598	\$ 3,488,401	\$ 13,877,469	\$ 404,218	\$ 201,040	\$18,613,103
Additions		-	208,085	208,480	12,615	17,000	446,180
Disposals	-	-	-	(2,159)	(23,593)	(39,953)	(65,705)
Cost, end of year	<u>\$ 200,377</u>	<u>\$ 441,598</u>	<u>\$ 3,696,486</u>	<u>\$ 14,083,790</u>	<u>\$ 393,240</u>	<u>\$ 178,087</u>	<u>\$18,993,578</u>
Accumulated amortization, beginning of year	\$ -	\$ 384,914	\$ 1,565,820	\$ 8,603,211	\$ 240,712	\$ 145,994	\$10,940,651
Amortization	-	14,101	75,024	279,977	15,730	8,359	393,191
Disposals	-	-	-	-	(28,392)	(36,571)	(64,963)
Accumulated amortization, end of year	<u>\$ -</u>	<u>\$ 399,015</u>	<u>\$ 1,640,844</u>	<u>\$ 8,883,188</u>	<u>\$ 228,050</u>	<u>\$ 117,782</u>	<u>\$11,268,879</u>
Net carrying amount, end of year	<u>\$ 200,377</u>	<u>\$ 42,583</u>	<u>\$ 2,055,642</u>	<u>\$ 5,200,602</u>	<u>\$ 165,190</u>	<u>\$ 60,305</u>	<u>\$ 7,724,699</u>

During the year the Village received contributed assets worth \$208,085. The Village worked with Clearwater County on the construction of a new addition to the Caroline Community Center (The "HUB").

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

7. Tangible Capital Assets (continued)

	As restated 2023						
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Total
Cost, beginning of year	\$ 200,377	\$ 441,598	\$ 3,230,588	\$ 13,800,614	\$ 375,631	\$ 152,134	\$18,200,942
Additions		-	257,813	76,855	28,587	48,906	412,161
Cost, end of year	\$ 200,377	\$ 441,598	\$ 3,488,401	\$ 13,877,469	\$ 404,218	\$ 201,040	\$18,613,103
Accumulated amortization, beginning of year	\$ -	\$ 366,512	\$ 1,497,377	\$ 8,221,667	\$ 222,749	\$ 136,845	\$10,445,150
Amortization		18,402	68,443	381,544	17,963	9,149	495,501
Accumulated amortization, end of year	\$ -	\$ 384,914	\$ 1,565,820	\$ 8,603,211	\$ 240,712	\$ 145,994	\$10,940,651
Net carrying amount, end of year	\$ 200,377	\$ 56,684	\$ 1,922,581	\$ 5,274,258	\$ 163,506	\$ 55,046	\$ 7,672,452

During the year the Village received contributed assets worth \$238,467. The Village worked with Clearwater County on the construction of a new addition to the Caroline Community Center (The "HUB").

December 31, 2024

8. Asset Retirement Obligations

The Village's asset retirement obligation consists of the following obligations:

a) Asbestos obligation

The Village owns and operates several buildings that are known to contain asbestos and lead, which represents a health hazard and which various regulations require specific considerations upon asset retirement. Following the adoption of PS 3280 - Asset Retirement Obligations, the Village recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at December 31, 2024. The buildings all have an estimated useful life of 50-95 years from the date of completion of construction, of which various numbers of years remain. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are \$109,667, which are to be incurred at the end of the individual asset's useful life.

b) Landfill cost sharing agreement

The Village entered into an agreement with Clearwater County and the Town of Rocky Mountain House to share the liability and costs associated with the closure of an industrial cell within a landfill now operated by Clearwater County. Under the agreement, the Village is responsible for 3% of the post closure maintenance costs of this landfill cell. Upon adoption of PS 3280, the Village recognized an ARO representing the estimated present value of the Village's portion of landfill closure liability under this agreement. The undiscounted future expenditure is estimated to be \$90,036.

c) Wells

The Village has three wells which will requiring decommissioning at the end of their useful lives to comply with regulations. Following the adoption of PS 3280 - Asset Retirement Obligations, the Village recognized an obligation relating to the decommissioning of wells as estimated at December 31, 2024. The wells have an estimated useful life of 75 years. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are \$16,524 which are to be incurred at the end of the assets' useful lives.

Changes in the asset retirement obligation in the year are as follows:

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

8. Asset Retirement Obligations (continued)

Asset Retirement Obligation	Asbestos and lead remediation	Landfill closure	Water Wells	2024
Opening	\$ 53,231	\$ 85,822	\$ 6,616	\$ 145,668
Accretion expense	2,614	4,214	325	7,152
Closing	\$ 55,844	\$ 90,036	\$ 6,940	\$ 152,821

Asset Retirement Obligation	Asbestos and lead remediation	Landfill closure	Water Wells	2023 Restated
Opening balance	\$ 50,739	\$ 81,805	\$ 6,306	\$ 138,851
Accretion expense	2,491	4,017	310	6,818
Closing Balance	\$ 53,231	\$ 85,822	\$ 6,616	\$ 145,668

The asset retirement liability has been estimated using a net present value technique using the assumptions as described above. The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

9. Equity in Tangible Capital Assets

	2024	2023
		Restated (see Note 1)
Tangible capital assets	\$ 18,993,578	\$ 18,613,103
Accumulated amortization	(11,268,879)	(10,940,651)
Debenture debt	(64,821)	(107,046)
Asset retirement obligation	(152,821)	(145,668)
	<u>\$ 7,507,057</u>	<u>\$ 7,419,738</u>

10. Accumulated Surplus

	2024	2023
		Restated (see Note 1)
Equity in tangible capital assets	\$ 7,507,057	\$ 7,419,738
Unrestricted surplus	465,835	725,985
	<u>7,972,892</u>	<u>8,145,723</u>
Restricted surplus		
Administration	258,254	258,254
Equipment and Maintenance reserve	37,000	37,000
Regional Waste Site reserve	258,408	258,408
	<u>553,662</u>	<u>553,662</u>
	<u>\$ 8,526,554</u>	<u>\$ 8,699,385</u>

The equity in tangible capital assets represents amounts already spent and invested in infrastructure. Restricted surplus represents funds set aside by bylaw or council resolution for specific purposes.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

11. Change in Accumulated Surplus

	Unrestricted surplus	Restricted surplus	Equity in tangible capital assets	2024	Restated See (Note 1) 2023
Balance, beginning of year	\$ 620,137	\$ 553,662	\$ 7,261,879	\$ 8,435,678	\$ 8,435,678
Prior period adjustment (Note 1)	106,050	-	157,657	263,707	59,986
Balance, beginning of year as restated	726,187	553,662	7,419,536	8,699,385	8,495,664
Excess of revenue over expenses	(172,831)	-	-	(172,831)	203,721
Accretion expense	7,152	-	(7,152)	-	-
Debenture principal payments	(42,225)	-	42,225	-	-
Acquisition of capital	(238,095)	-	238,095	-	-
Contributed assets	(208,085)	-	208,085	-	-
Disposals and write-down of assets	541	-	(541)	-	-
Amortization	393,191	-	(393,191)	-	-
Change in accumulated surplus	(260,352)	\$ -	87,521	(172,831)	203,721
Balance, end of year	\$ 465,835	\$ 553,662	\$ 7,507,057	\$ 8,526,554	\$ 8,699,385

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

12. Taxation - Net

	Budget 2024	2024	2023
Real property	\$ 634,118	\$ 633,847	\$ 658,841
Government grants in place of property taxes	4,000	3,117	4,393
	638,118	636,964	663,234
Requisitions			
Alberta School Foundation Fund	107,000	107,406	104,814
Red Deer Catholic School	2,500	2,717	4,085
Seniors Requisition	-	5,968	5,241
	109,500	116,091	114,140
Available for general municipal purposes	\$ 528,618	\$ 520,873	\$ 549,094

13. Financial Instruments

The Village is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the associations objectives policies and process for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and through these statements.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Village is exposed to credit risk through its cash, investments and accounts receivables. In addition the Village manages its credit risk by holding cash at federally regulated chartered banks and cash accounts. The maximum exposure to credit risk at the financial statement date is the carrying value of these financial assets reported on the statement of cashflows.

Liquidity risk:

Liquidity risk is the risk that the Village will encounter difficulty in meeting the obligations associated with the financial liabilities. The Village is exposed to liquidity risk through its accounts payable, long-term debt and its solid waste closure and post-closure liability.

The Village manages this risk by maintaining a significant cash balance and a demand revolving loan facility to a maximum of \$250,000 (see Note 2). To help manage the risk, the Village has in place planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. See Note 6 for long-term debt liability. The Villages accounts payable policy is to pay net 30 days, all accounts payable is current. Regarding taxes recievable, there are \$71,750 in arrears that are past due as of the reporting date but not impaired.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

13. Financial Instruments (continued)

Interest rate risk:

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Village is exposed to the interest rate risk through its long-term debt.

The Village manages interest rate risk on its long-term debt by holding all debt through Alberta Loans to Local Authorities at a fixed rate. Therefore, fluctuations in the market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 6 for interest rates and maturity dates for the long-term debt.

14. Government Transfers

	Budget 2024		Restated (see Note 1)	
	2024		2023	
Operating				
Provincial government	\$ 193,878	\$ 199,245	\$ 197,649	
Capital				
Provincial government	-	107,330	167,476	
Total government transfers	\$ 193,878	\$ 306,575	\$ 365,125	

15. Expenses by Object

	Budget 2024		Restated (see Note 1)	
	2024		2023	
Salaries and wages	\$ 538,606	\$ 492,469	\$ 477,254	
Contracted and general services	592,286	627,854	486,362	
Materials, goods and utilities	211,142	175,367	159,978	
Transfer to local agencies	25,012	21,076	127,607	
Accretion	-	7,152	6,818	
Interest on long-term debt	4,000	1,796	2,570	
Amortization	-	393,191	495,501	
Other expenditures	-	32,686	-	
	\$ 1,371,046	\$ 1,751,591	\$ 1,756,090	

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

16. Municipal Employees Pension Plans

Local Authorities Pension Plan

Certain employees of the Village are eligible to be members of the Local Authorities Pension Plan (LAPP), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The Plan serves about 304,451 people and over 444 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

The Village contributes to the Plan at a rate of 8.45% pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 11.65% for the excess. Employees contribute to the Plan at a rate of 7.45% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 10.65% for the excess.

Contributions for the year were:

During the year ended December 31, 2024, the Village contributed:

	2024	2023
Employer contributions	\$ 12,712	\$ 18,916
Employee contributions	11,151	17,074
	<u>\$ 23,863</u>	<u>\$ 35,990</u>

As this is a multi-employer pension plan, these contributions are the Village's pension benefit expense. No pension liability for this type of plan is included in the Village's financial statements. The most recent valuation as at December 31, 2023 indicates a surplus of \$15,057 million (2022 - surplus \$12,671 million) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

17. Salary and Benefits Disclosure

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

	<u>Salary</u>	<u>Benefits & Allowances</u>	<u>Total 2024</u>	<u>Total 2023</u>
Councilor Mary Cameron- Wold	\$ 4,800	\$ -	\$ 4,800	\$ 4,475
Councilor Rimmer	7,951	-	7,951	5,419
Councilor McBride	4,004	-	4,004	-
Councilor Nelson	8,366	-	8,366	4,550
Councilor Nichols	-	-	-	1,325
Councilor Gibson	7,172	-	7,172	5,901
Chief Administrative Officers	74,765	6,923	81,688	102,644
Designated officers (Wildrose Assessment)	9,100	-	9,100	9,100

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

Benefits and allowances includes the employer's share of all employee benefits and contributions or payments made on behalf of employees including health care, dental coverage, group life insurance, and vision coverage.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

18. Debt Limits

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

		Restated (see Note 1)
	2024	2023
Total debt limit	\$ 1,878,269	\$ 2,330,802
Total debt	64,821	107,046
Total debt limit available	1,813,448	2,223,756
Debt servicing limit	313,045	388,467
Debt servicing	44,223	44,021
Total debt servicing limit available	268,822	344,446

The debt limit is calculated at 1.5 times revenue of the Village (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.

19. Commitments

The Village has entered into an agreement for assessment services with an independent contractor for a 10 year term commencing April 1, 2018. The cost of these services annually is \$9,200 for 2025.

The Village has entered into an agreement with Clearwater County where the Village has leased to the County certain land and premises, known as the Caroline Community Complex and any additions thereto. The County is responsible for the operation and maintenance of the land and premises. The agreement is for a 10 year term commencing on December 31, 2013. The agreement was to extend at year end for an additional 2 years.

The Village has entered into an agreement for waste collection services. The contract goes from May 1, 2024 to April 30, 2025. The costs for curbside collection are as follows: Year 1 is \$2.27 per house per week with a fuel surcharge, Year 2 is \$2.27 per house per week plus annual CPI and fuel surcharge, for waste disposal its \$85 per metric tonne for both years.

The Village entered into an agreement with the Clearwater County and Town of Rocky Mountain House to create an inter-municiple regional fire services. The Village is responsible for 1% of operating and capital costs.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

20. Budget

The budget adopted by Council on March 20, 2024 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budget adopted by Council on March 20, 2024, with adjustments as follows:

	<u>2024</u>
Budgeted surplus for the year	\$ -
Add costs not budgeted for:	
Accretion expense	7,152
Capital expenditures	238,095
Other expenses	32,686
Amortization expense	393,191
Payment methods used:	
Debenture principal payments	42,225
Transfers from accumulated surplus	<u>(713,349)</u>
Budgeted surplus (deficit) per statement of operations	<u>\$ -</u>

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

21. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Protective Services

Protective services is comprised of police, bylaw enforcement and fire protection. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

Transportation Services

Transportation services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of park and open space, and street lighting.

Water and Wastewater Services

Water and wastewater provides drinking water to the Village's citizens and collects and treats wastewater. The Village processes and cleans sewage and ensures the water system meets all Provincial standards.

Waste Management Services

Waste management provides collection disposal and recycling programs.

Planning and Development

The planning department provides a number of services including village planning and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Parks

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

Public Health and Welfare

This service area provides and administers community support programs.

General Government

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Village itself and cannot be directly attributed to a specific segment.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

18. Segmented Information continued

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation revenue has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

21. Segmented Information (continued)

For the year ended December 31, 2024	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2024 Total
Revenue									
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 520,872	\$ 520,872
Government transfers for operating	-	-	-	-	-	66,367	-	132,878	199,245
Government transfers for capital	-	277,099	-	-	-	-	-	38,316	315,415
Sales and user fees	454	-	225,777	60,900	-	24,207	10,650	4,783	326,771
Franchises and concessions	-	-	-	-	-	-	-	127,478	127,478
Investment income	-	-	-	-	-	-	-	56,408	56,408
Penalties and costs on taxes	-	-	-	-	-	-	-	12,613	12,613
Licences and permits	8,792	-	-	-	-	-	-	-	8,792
Gain on disposal of assets	-	-	-	-	-	-	-	11,166	11,166
	<u>9,246</u>	<u>277,099</u>	<u>225,777</u>	<u>60,900</u>	<u>-</u>	<u>90,574</u>	<u>10,650</u>	<u>904,514</u>	<u>1,578,760</u>
Expenses									
Salaries and wages	-	173,691	33,773	5,343	-	74,362	9,673	195,627	492,469
Contracted and general services	42,088	34,767	115,424	48,213	10,100	8,643	-	368,619	627,854
Materials, goods and utilities	-	83,514	37,190	166	-	33,057	33	21,407	175,367
Transfer to local agencies	-	-	-	12,672	-	4,260	4,144	-	21,076
Accretion expense	-	-	325	4,213	-	-	-	2,614	7,152
Interest on long-term debt	-	1,796	-	-	-	-	-	-	1,796
Amortization	-	157,428	147,656	-	-	72,363	-	15,744	393,191
Other	-	-	-	-	-	162	-	32,524	32,686
	<u>42,088</u>	<u>451,196</u>	<u>334,368</u>	<u>70,607</u>	<u>10,100</u>	<u>192,847</u>	<u>13,850</u>	<u>636,535</u>	<u>1,751,591</u>
Net surplus (deficit)	\$ (32,842)	\$ (174,097)	\$ (108,591)	\$ (9,707)	\$ (10,100)	\$ (102,273)	\$ (3,200)	\$ 267,979	\$ (172,831)

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

21. Segmented Information (continued)

For the year ended December 31, 2023	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	As restated 2023 Total
Revenue									
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 549,093	\$ 549,093
Government transfers for operating	-	-	-	-	-	64,771	-	132,878	197,649
Government transfers for capital	-	344,036	-	-	-	-	-	61,907	405,943
Sales and user fees	367	-	253,774	72,950	-	11,132	3,540	260,850	602,613
Franchises and concessions	-	-	-	-	-	-	-	138,313	138,313
Investment income	-	-	-	-	-	-	-	20,674	20,674
Penalties and costs on taxes	-	-	-	-	-	-	-	40,373	40,373
Licences and permits	5,153	-	-	-	-	-	-	-	5,153
	<u>5,520</u>	<u>344,036</u>	<u>253,774</u>	<u>72,950</u>	<u>-</u>	<u>75,903</u>	<u>3,540</u>	<u>1,204,088</u>	<u>1,959,811</u>
Expenses									
Salaries and wages	-	153,818	54,361	7,205	-	65,321	5,454	191,095	477,254
Contracted and general services	32,157	41,188	106,241	48,034	8,891	12,796	34	237,021	486,362
Materials, goods and utilities	-	68,113	39,514	10,732	-	26,260	27	15,333	159,979
Transfer to local agencies	-	-	-	119,775	-	3,920	3,912	-	127,607
Accretion expense	-	-	310	4,017	-	-	-	2,491	6,818
Interest on long-term debt	-	2,570	-	-	-	-	-	-	2,570
Amortization	-	246,829	223,277	-	-	11,804	-	13,590	495,500
Other	-	-	-	-	-	-	-	-	-
	<u>32,157</u>	<u>512,518</u>	<u>423,703</u>	<u>189,763</u>	<u>8,891</u>	<u>120,101</u>	<u>9,427</u>	<u>459,530</u>	<u>1,756,090</u>
Net surplus (deficit)	\$ (26,637)	\$ (168,482)	\$ (169,929)	\$ (116,813)	\$ (8,891)	\$ (44,198)	\$ (5,887)	\$ 744,558	\$ 203,721

Village of Caroline
Notes to Consolidated Financial Statements

December 31, 2024

22. Subsequent Events

Effective January 1, 2025, Clearwater County and the Village of Caroline were amalgamated per Ministerial Order 358/2024.

Per the terms of the Order, the Old Municipalities were dissolved, and a new municipal district having the name Clearwater County, was formed as at the effective date. The Hamlet of Caroline resides within the boundaries of the new municipal district.

The Order also states “All liabilities, whether arising under a debenture or otherwise, and all assets, rights, duties, functions and obligations of the Old Municipalities are vested in the New Municipality and may be dealt with in its name”.

23. Comparative Figures

Wherever necessary, comparative figures have been reclassified to conform with current year financial statement presentation.
