

**VILLAGE OF HUSSAR**  
**Financial Statements**  
**Year Ended December 31, 2023**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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 non-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 non-consolidated financial statements.

The Village Council carries out its responsibilities for review of the non-consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

The non-consolidated financial statements have been audited by Vista Accounting Professional Corporation, Chartered Professional Accountant, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

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Village Administrator

Hussar, AB  
April 13, 2023

**VILLAGE OF HUSSAR**  
**Statement of Financial Position**  
**As at December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 3)</i>	\$ 446,413	\$ 1,169,595
Taxes and grants in place of taxes receivable <i>(Note 4)</i>	65,420	100,120
Accounts receivable	127,558	88,164
	<b>639,391</b>	<b>1,357,879</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	8,448,826	14,160
Deferred income <i>(Note 5)</i>	158,136	93,320
Due to members	143,533	160,017
Long term debt <i>(Note 7)</i>	7,061	8,805
	<b>8,757,556</b>	<b>276,302</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(8,118,165)</b>	<b>1,081,577</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	33,728	17,713
Tangible capital assets	8,084,437	7,354,013
	<b>8,118,165</b>	<b>7,371,726</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 8,438,236</b>	<b>\$ 8,453,302</b>

CONTINGENCIES *(Note 17)*

**ON BEHALF OF COUNCIL**

\_\_\_\_\_ Councillor  
 \_\_\_\_\_ Councillor

**VILLAGE OF HUSSAR**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2023**

	Budget 2023	2023	2022
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (219,950)	\$ (15,067)	\$ 3,178,414
Amortization of tangible capital assets	268,827	267,870	267,870
Purchase of tangible capital assets	-	(1,006,258)	(3,191,042)
Proceeds on disposal of tangible capital assets	-	7,998	-
Loss (gain) on disposal of assets	-	(34)	-
Decrease (increase) in prepaid expenses	-	(16,015)	(17,713)
	<u>268,827</u>	<u>(746,439)</u>	<u>(2,940,885)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	48,877	(761,506)	237,529
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>1,081,577</u>	<u>1,081,576</u>	<u>844,047</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 1,130,454</u>	<u>\$ 320,070</u>	<u>\$ 1,081,576</u>

**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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1. NATURE OF ORGANIZATION

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

The Village is exempt from income taxation under Section 149 of the Canada Income Tax Act.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The non-consolidated financial statements of the Village of Hussar are the representations of management prepared in accordance with generally accepted accounting principles for the local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Village are as follows:

Reporting Entity

The non-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 and are, therefore, accountable to the Village Council of the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, 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.

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**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the 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.

Reserves for future expenses

Reserves are established at the discretion of Council to set aside funds for the future operating and capital expenses. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

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.

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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**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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

Tangible capital assets

Purchased 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 over their estimated useful lives on a straight-line basis at the following rates:

Land improvements	15 - 25 years
Buildings	50 years
Engineering structures	15 - 75 years
Machinery and Equipment	2 - 10 years
Motor vehicles	10 years

Half 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.

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

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

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

Leases are classified as capital or operating leases. Leases which transfer substantially all 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 incurred.

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

6. CONTAMINATED SITES LIABILITY

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities in 2023 (2022 - nil) as a result of this standard.

7. LONG-TERM DEBT

	2023	2022
Long term debt - capital	\$ 7,061	\$ 8,805
Current portion	(1,282)	(8,805)
	\$ 5,779	\$ -

8. PRINCIPAL AND INTEREST ON LONG-TERM DEBT

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2024	\$ 1,282	\$ 97	\$ 1,379
2025	1,301	77	1,378
2026	1,320	58	1,378
2027	1,340	38	1,378
2028	1,818	19	1,837
	\$ 7,061	\$ 289	\$ 7,350

Long term debt is repayable to Royal Bank of Canada and bears interest at the rate of 1.49% per annum. Security pledged consists of a vehicle with a carrying value of \$13,970.

Interest on long-term debt amounted to \$570 (2022 - \$965).

The Village's total cash payments for interest in were \$570 (2022- \$965).



**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

11. RESERVES

Council may set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2023	2022
<u>Operating</u>		
Restricted surplus	\$ 10,000	\$ 10,000
 <u>Capital</u>		
Infrastructure	203,835	203,832
	\$ 213,835	\$ 213,832

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets (schedule 2)	\$ 11,968,824	\$ 10,978,497
Accumulated amortization (schedule 2)	(3,884,387)	(3,624,484)
Long-term debt (note 7)	(7,061)	(8,805)
	\$ 8,077,376	\$ 7,345,208

13. 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 financial statements as disclosed in Note 2.

Refer to the Schedule of Segmented Disclosure (schedule 6).

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.

**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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15. LOCAL AUTHORITIES PENSION PLAN

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

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

<u>Section heading</u>	2023	2022
Current service contributions by Employer	\$ -	\$ 5,927
Current service contributions by Employee	-	3,150
	\$ -	\$ 9,077

The Village is required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Total current service contributions by the Village to the LAPP in 2023 were \$0 (2022 - \$5,927). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan in 2023 were \$0 (2022 - \$3,150)

At December 31, 2022 the LAPP disclosed an actuarial surplus of \$12.7 billion. The amount is not specifically allocated to the participating government organizations. The 2023 actuarial balance was not available at the date these financial statements were released.

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16. BUDGET AMOUNTS

The 2023 budget for the Village was approved by Council on May 18, 2023 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

Budget deficit per financial statements	2023 \$ (219,950)
Less: Long-term debt repayments	(8,805)
Transfers to reserves	(40,072)
Add: Amortization	268,827
	\$ -

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**VILLAGE OF HUSSAR**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

20. INVESTMENT IN PARTNERSHIP

The Village purchased 25 class B common shares in Wheatland Regional Corporation (WRC) for 25% ownership in the amount of \$2.50.

WRC was formed in partnership with the Village of Rockyford, Village of Hussar, Village of Standard, and Wheatland County. WRC is responsible for distribution of water to its partnering municipalities.

WRC is accounted for using the proportionate consolidation method. Below is a financial summary of the Corporation's financial statements as at December 31, 2021 and for the year then ended as follows:

	2023	Adjustments	25% share	2022
Financial assets	\$ 906,037	\$ 679,528	\$ 226,509	\$ 126,442
Liabilities	(562,086)	(421,565)	(140,521)	(167,807)
	343,951	257,963	85,988	(41,365)
Non-financial assets	12,218,079	9,163,559	3,054,520	3,130,755
Accumulated surplus	\$ 12,562,030	\$ 9,421,522	\$ 3,140,508	\$ 3,089,390
Total revenue	\$ 1,351,711	\$ 1,013,783	\$ 337,928	\$ 266,080
Total expenses	(1,456,475)	(1,092,356)	(364,119)	(309,812)
Excess (deficiency) of revenue over expenses	\$ (104,764)	\$ (78,573)	\$ (26,191)	\$ (43,732)

During the year there were no transactions between the Village and WRC.

**VILLAGE OF HUSSAR**  
**Schedule of tangible capital assets**  
**(Schedule 2)**  
**For the Year Ended December 31, 2023**

	Land		Building	Engineered structures		Machinery and equipment		Vehicles		2023	2022
	Land	Land improvements									
<b>Cost:</b>											
Balance, beginning of year	\$ 133,357	\$ 68,425	\$ 2,393,000	\$ 8,223,450	\$ 109,256	\$ 51,011	\$ 10,978,499	\$ 7,787,455			
Acquisitions	-	-	25,832	964,904	-	15,522	1,006,258	3,191,042			
Disposals	-	-	-	-	-	(15,933)	(15,933)	(15,933)			
<b>Balance, end of year</b>	<b>133,357</b>	<b>68,425</b>	<b>2,418,832</b>	<b>9,188,354</b>	<b>109,256</b>	<b>50,600</b>	<b>11,968,824</b>	<b>10,978,497</b>			
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	45,978	1,154,170	2,364,193	29,845	30,298	3,624,484	3,356,614			
Annual amortization	-	2,040	43,860	210,874	5,994	5,102	267,870	267,870			
Disposals	-	-	-	-	-	(7,967)	(7,967)	(7,967)			
<b>Balance, end of year</b>	<b>-</b>	<b>48,018</b>	<b>1,198,030</b>	<b>2,575,067</b>	<b>35,839</b>	<b>27,433</b>	<b>3,884,387</b>	<b>3,624,484</b>			
<b>Net book value</b>	<b>\$ 133,357</b>	<b>\$ 20,407</b>	<b>\$ 1,220,802</b>	<b>\$ 6,613,287</b>	<b>\$ 73,417</b>	<b>\$ 23,167</b>	<b>\$ 8,084,437</b>	<b>\$ 7,354,013</b>			
<b>2022 net book value</b>	<b>\$ 133,357</b>	<b>\$ 22,447</b>	<b>\$ 1,238,830</b>	<b>\$ 5,859,257</b>	<b>\$ 79,411</b>	<b>\$ 20,711</b>	<b>\$ 7,354,013</b>	<b>\$ -</b>			

**VILLAGE OF HUSSAR**  
**Schedule of Government transfers**  
**(Schedule 4)**  
**For the Year Ended December 31, 2023**

	Budget	2023	2022
<b>Transfers for operating:</b>			
Provincial government	\$ 48,406	\$ 48,406	\$ 24,203
<b>Transfers for capital:</b>			
Provincial government	\$ -	\$ 139,303	\$ 187,997

**VILLAGE OF HUSSAR**  
**Schedule of segmented disclosure**  
**(Schedule 6)**  
**For the Year Ended December 31, 2023**

	General government	Protective services	Transportation services	Planning and development	Recreations and culture	Environmental services	Public health services	2023
<b>REVENUE</b>								
Net municipal property taxes	\$ 172,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,944
User fees and sales of goods	4,810	-	-	-	4,693	464,006	4,438	477,947
Government transfers for operating	48,406	-	-	-	-	9,240	-	48,406
Investment income	11,426	-	-	-	-	-	-	20,666
Penalties and costs of taxes	5,910	-	-	-	-	-	-	5,910
Licenses and permits	-	790	-	665	-	-	-	1,455
Franchise and concession contracts	53,889	-	-	-	-	-	-	53,889
Other revenue	-	-	-	-	4,365	-	558	4,923
	\$ 297,385	\$ 790	\$ -	\$ 665	\$ 9,058	\$ 473,246	\$ 4,996	\$ 786,140
<b>EXPENSES</b>								
Salaries, wages and benefits	\$ 67,948	\$ -	\$ 45,610	\$ -	\$ 5,615	\$ 94,717	\$ 294	\$ 214,184
Contracted and general services	45,512	384	22,217	-	6,398	185,238	15,595	275,344
Materials, goods and utilities	10,098	-	36,755	-	4,498	90,990	7,124	149,465
Interest on long-term debt	-	-	-	-	-	2,223	-	2,223
Transfers to organizations and others	-	16,872	-	3,000	1,745	8,300	1,360	31,277
Bad debts	-	-	-	-	-	179	-	179
	\$ 123,558	\$ 17,256	\$ 104,582	\$ 3,000	\$ 18,256	\$ 381,647	\$ 24,373	\$ 672,672
NET REVENUE, Before Amortization	\$ 297,385	\$ (16,466)	\$ (104,582)	\$ (2,335)	\$ (9,198)	\$ 91,599	\$ (19,377)	\$ 113,468
Less: Amortization	-	-	(76,927)	-	(45,518)	(145,225)	(200)	(267,870)
<b>NET REVENUE</b>	\$ 297,385	\$ (16,466)	\$ (181,509)	\$ (2,335)	\$ (54,716)	\$ (53,626)	\$ (19,577)	\$ (154,402)