

VILLAGE OF HUSSAR
Financial Statements
Year Ended December 31, 2023

VILLAGE OF HUSSAR
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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.



Village Administrator

INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Hussar

Opinion

We have audited the financial statements of Village of Hussar (the "organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Members of Village of Hussar *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 organization'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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Vista Accounting
Professional Corporation

Calgary, Alberta
February 13, 2025

VISTA ACCOUNTING PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

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

	2023	2022
FINANCIAL ASSETS		
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
	639,391	1,357,879
LIABILITIES		
Accounts payable and accrued liabilities	10,588	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
	319,318	276,302
NET FINANCIAL ASSETS	320,073	1,081,577
NON-FINANCIAL ASSETS		
Prepaid expenses	33,728	17,713
Tangible capital assets	8,084,437	7,354,013
	8,118,165	7,371,726
ACCUMULATED SURPLUS	\$ 8,438,238	\$ 8,453,303

CONTINGENCIES *(Note 17)*

ON BEHALF OF COUNCIL


 _____ Councillor

 _____ Councillor

VILLAGE OF HUSSAR
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2023

	Budget 2023	Total 2023	Total 2022
REVENUES			
Net municipal property taxes (Schedule 3)	\$ 175,770	\$ 172,944	\$ 199,933
User fees and sales of goods	405,257	477,947	440,876
Penalties and costs of taxes	10,160	5,910	12,685
Government transfers for operating (Schedule 4)	48,406	48,406	24,203
Investment income	2,368	20,666	6,996
Licenses and permits	1,250	1,455	1,125
Franchise and concession contracts	52,000	53,889	53,977
Other	2,800	4,923	7,810
	<u>698,011</u>	<u>786,140</u>	<u>747,605</u>
EXPENSES			
Legislative	20,250	17,512	19,804
Administration	111,964	106,046	127,914
Protective services and emergency management	17,522	16,872	15,840
Common and equipment	29,163	24,202	32,966
Roads, streets, walks and lights	157,139	158,485	151,802
Water supply and distribution	434,415	480,895	438,812
Wastewater treatment	37,634	36,719	38,020
Waste management	32,012	26,451	25,732
Public health and welfare services	10,505	9,769	5,792
Land use planning, zoning and development	4,000	3,384	27,437
Culture - libraries, museums, halls	3,225	3,225	3,103
Other recreation and culture	60,132	56,982	61,006
	<u>917,961</u>	<u>940,542</u>	<u>948,228</u>
DEFICIT FROM OPERATIONS	<u>(219,950)</u>	<u>(154,402)</u>	<u>(200,623)</u>
OTHER INCOME			
RYF - utility paybacks	-	-	3,191,041
Gain on disposal of property, plant and equipment	-	34	-
Government transfers for capital (Schedule 4)	-	139,303	187,997
	<u>-</u>	<u>139,337</u>	<u>3,379,038</u>
ANNUAL SURPLUS (DEFICIT)	<u>(219,950)</u>	<u>(15,065)</u>	<u>3,178,415</u>
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>8,453,303</u>	<u>8,453,303</u>	<u>5,274,888</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 8,233,353</u>	<u>\$ 8,438,238</u>	<u>\$ 8,453,303</u>

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

	Budget 2023	2023	2022
ANNUAL SURPLUS (DEFICIT)	\$ (219,950)	\$ (15,065)	\$ 3,178,415
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>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	48,877	(761,504)	237,530
NET FINANCIAL ASSETS - BEGINNING OF YEAR	<u>1,081,577</u>	<u>1,081,577</u>	<u>844,047</u>
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ 1,130,454</u>	<u>\$ 320,073</u>	<u>\$ 1,081,577</u>

VILLAGE OF HUSSAR
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (15,065)	\$ 3,178,415
Items not affecting cash:		
Amortization of tangible assets	267,870	267,870
Gain on disposal of property, plant and equipment	(34)	-
	<u>252,771</u>	<u>3,446,285</u>
Changes in non-cash working capital:		
Accounts receivable	(39,394)	134,253
Taxes and grants in place of taxes receivable	34,700	(41,799)
Accounts payable and accrued liabilities	(3,572)	(5,255)
Deferred income	64,816	1,883
Prepaid expenses	(16,015)	(17,713)
	<u>40,535</u>	<u>71,369</u>
Cash flow from operating activities	<u>293,306</u>	<u>3,517,654</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,006,260)	(3,191,042)
Proceeds on disposal of tangible capital assets	8,000	-
Cash flow used by investing activities	<u>(998,260)</u>	<u>(3,191,042)</u>
FINANCING ACTIVITIES		
Advances from members	(16,484)	(20,889)
Proceeds from long term financing	7,904	-
Repayment of long term debt	(9,648)	(8,336)
Cash flow used by financing activities	<u>(18,228)</u>	<u>(29,225)</u>
INCREASE (DECREASE) IN CASH FLOW	(723,182)	297,387
Cash - beginning of year	<u>1,169,595</u>	<u>872,208</u>
CASH - END OF YEAR	\$ 446,413	\$ 1,169,595
CASH CONSISTS OF:		
Cash and temporary investments	<u>\$ 446,413</u>	<u>\$ 1,169,595</u>

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

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.

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

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

Basis of accounting

The financial statements reflect the assets, liabilities, revenues and expenses, and changes in net financial assets and cash flows of the Village.

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards and 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 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 recognised in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in a number of areas including useful lives of tangible capital assets and the fair value of contributed tangible capital assets. Estimates are also used for various liabilities, including landfill closure and post-closure costs. Estimates are based on the best information available at the time of preparation of the financial statements and are periodically reviewed and any adjustments necessary are reflected in the period in which they become known. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Cash and temporary investments

Cash includes cash and temporary investments. Temporary investments are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

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

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

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.

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

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

Revenue recognition

Service fees and sales of goods from external sources are recognized as revenue in the period in which the services is delivered or in which the transactions or events occurred that gave rise to the revenue.

The Village follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions specified for capital purposes are recorded as unamortized capital allocations. These unamortized capital allocations are taken into income as the related capital costs are amortized.

Government transfers, contributions and other amounts received from third parties pursuant to legislation, regulation or agreement may not be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenues from these sources are recognized in the period in which the related expenses are incurred, services performed or capital assets are amortized.

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.

Contaminated sites liability

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

Non-financial assets

Non-financial assets are not available to discharge 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 (Debt) for the year.

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

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.

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

3. CASH AND TEMPORARY INVESTMENTS

	2023	2022
Cash	\$ 446,413	\$ 706,124

Temporary investments are short-term deposits with original maturities of one year or less. The temporary investments are comprised of specific use savings accounts that bear interest at 0.2%

The Village has an approved overdraft limit of \$100,000 bearing interest at a rate of 2.70%. The facility was not drawn on as of December 31, 2023.

Included in cash and temporary investments is a restricted amount of \$0 (2022 - nil) received from the Municipal Sustainability Initiative and held exclusively for approved projects (Note 5).

The ATB Financial municipal revolving line of credit for the Wheatland Regional Corporation is authorized to a maximum of \$150,000 and will be used to finance operating expenditures. The line of credit is secured by a general security agreement and bears interest at prime less 0.25%.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2023	2022
Taxes and grants in place of taxes receivable	\$ 65,420	\$ 100,120

5. DEFERRED REVENUE

The deferred revenue balance represents funds received for specific purposes that have not been spent by year end. Deferred revenue consists of the following:

	2023	2022
<u>Section heading</u>		
Canadian Community Building Fund (CCBF)	\$ 52,758	\$ 50,443
Alberta Community Partnership	20,102	20,102
Cemetery Trust	10,694	10,535
Miscellaneous	67,669	11,750
	151,223	92,830
Municipal Sustainability Initiative - Capital	6,913	490
	\$ 158,136	\$ 93,320

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

9. DEBT LIMITS AND DEBT SERVICING LIMIT

	2023	2022
Total debt limit	\$ 1,179,261	\$ 6,189,965
Less: Total Debt	(7,061)	(8,805)
Amount of debt limit unused	1,172,200	6,181,160
Debt servicing limit	196,544	1,031,661
Less: Debt servicing	(1,379)	(9,300)
Amount of debt servicing limit unused	195,165	1,022,361

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 Hussar are to be disclosed.

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

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principle and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

10. ACCUMULATED SURPLUS

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

	2023	2022
<u>Section heading</u>		
Unrestricted surplus	\$ 139,126	\$ 894,263
Internally restricted surplus (reserves) (note 11)	213,835	213,832
Equity in tangible capital assets (note 12)	8,077,376	7,345,208
	\$ 8,430,337	\$ 8,453,303

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

14. SALARY AND BENEFITS DISCLOSURE

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

	(1)	(2)		
	Salary	Benefits & allowances	2023	2022
Tim Frank	\$ 4,300	\$ -	\$ 4,300	\$ 3,850
Leslie Schultz	5,775	-	5,775	6,000
Coralee Schindel	4,000	-	4,000	4,300
Chief Administrative Officer	44,436	36	44,472	47,750
Designated Assessor	5,675	-	5,675	5,575

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct case remuneration.
2. Employer's share of all employee benefits and contributions or payments 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.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

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

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.

	2023	2022
<u>Section heading</u>		
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.

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.

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

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

17. 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 in the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

18. FINANCIAL INSTRUMENTS

The Village of Hussar's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the town is not exposed to significant interest or currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Village manages risk exposure on these items similar to other receivables and payables.

The Village is subject to credit risk with respect to taxes and grants in place of taxes receivables 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 fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. The town is exposed to market price risk from investments in equity instruments whose value fluctuates with changes in quoted market prices.

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

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 changes in accumulated surplus
(Schedule 1)
For the Year Ended December 31, 2023

	Unrestricted	Restricted	Equity in tangible capital assets	2023	2022
Balance, beginning of year	\$ 894,263	\$ 213,832	\$ 7,345,208	\$ 8,453,303	\$ 5,274,888
(Deficiency) excess of revenue over expenses	(15,068)	3	-	(15,065)	3,178,415
Addition of tangible capital assets	(1,006,195)	-	1,006,195	-	-
Annual amortization expense	267,870	-	(267,870)	-	-
Long-term debt repaid	(9,648)	-	9,648	-	-
Proceeds from long term financing	7,904	-	(7,904)	-	-
	<u>\$ 139,126</u>	<u>\$ 213,835</u>	<u>\$ 8,085,277</u>	<u>\$ 8,438,238</u>	<u>\$ 8,453,303</u>

VILLAGE OF HUSSAR

**Schedule of tangible capital assets
(Schedule 2)**

For the Year Ended December 31, 2023

	Land	Land improvements	Building	Engineered structures	Machinery and equipment	Vehicles	2023	2022
Cost:								
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)	-
Balance, end of year	133,357	68,425	2,418,832	9,188,354	109,256	50,600	11,968,824	10,978,497
Accumulated Amortization								
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)	-
Balance, end of year	-	48,018	1,198,030	2,575,067	35,839	27,433	3,884,387	3,624,484
Net book value	\$ 133,357	\$ 20,407	\$ 1,220,802	\$ 6,613,287	\$ 73,417	\$ 23,167	\$ 8,084,437	\$ 7,354,013
2022 net book value	\$ 133,357	\$ 22,447	\$ 1,238,830	\$ 5,859,257	\$ 79,411	\$ 20,711	\$ 7,354,013	\$ -

VILLAGE OF HUSSAR
Schedule of property and other taxes levied
(Schedule 3)
For the Year Ended December 31, 2023

	Budget (Unaudited)	2023	2022
Real property taxes	\$ 218,151	\$ 214,422	\$ 242,617
EXPENSES			
Alberta School Foundation Fund	40,809	39,937	41,288
Wheatland Housing Management Body	1,572	1,541	1,396
	<u>42,381</u>	<u>41,478</u>	<u>42,684</u>
INCOME FROM OPERATIONS	<u>\$ 175,770</u>	<u>\$ 172,944</u>	<u>\$ 199,933</u>

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

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

VILLAGE OF HUSSAR
Schedule of expenses by object
(Schedule 5)
For the Year Ended December 31, 2023

	Budget (Unaudited)	2023	2022
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 223,295	\$ 214,184	\$ 219,758
Contracted and general services	210,509	275,344	253,523
Materials, goods and utilities	150,634	149,465	175,886
Interest on long-term debt	2,196	2,223	4,449
Transfers to organizations and others	62,500	31,277	24,204
Bad debts	-	179	2,538
Amortization of tangible capital assets	268,827	267,870	267,870
	<u>\$ 917,961</u>	<u>\$ 940,542</u>	<u>\$ 948,228</u>

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
REVENUE								
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	-	-	-	-	-	-	48,406
Investment income	11,426	-	-	-	-	9,240	-	20,666
Penalties and costs of taxes	5,910	-	-	-	-	-	-	5,910
Licenses and permits	-	790	-	665	-	-	-	1,455
Franchise and concession contracts	53,889	-	-	-	4,365	-	-	53,889
Other revenue	-	-	-	-	-	-	558	4,923
	<u>\$ 297,385</u>	<u>\$ 790</u>	<u>\$ -</u>	<u>\$ 665</u>	<u>\$ 9,058</u>	<u>\$ 473,246</u>	<u>\$ 4,996</u>	<u>\$ 786,140</u>
EXPENSES								
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
	<u>\$ 123,558</u>	<u>\$ 17,256</u>	<u>\$ 104,582</u>	<u>\$ 3,000</u>	<u>\$ 18,256</u>	<u>\$ 381,647</u>	<u>\$ 24,373</u>	<u>\$ 672,672</u>
NET REVENUE, Before Amortization	<u>\$ 297,385</u>	<u>\$ (16,466)</u>	<u>\$ (104,582)</u>	<u>\$ (2,335)</u>	<u>\$ (9,198)</u>	<u>\$ 91,599</u>	<u>\$ (19,377)</u>	<u>\$ 113,468</u>
Less: Amortization	-	-	(76,927)	-	(45,518)	(145,225)	(200)	(267,870)
NET REVENUE	<u>\$ 297,385</u>	<u>\$ (16,466)</u>	<u>\$ (181,509)</u>	<u>\$ (2,335)</u>	<u>\$ (54,716)</u>	<u>\$ (53,626)</u>	<u>\$ (19,577)</u>	<u>\$ (154,402)</u>