

VILLAGE OF BEISEKER
Financial Statements
Year Ended December 31, 2023

VILLAGE OF BEISEKER
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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Beiseker 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 non-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 non-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 Council. Council meets regularly with management and external auditor 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.



Chief Administrative Officer



Mayor

Beiseker, Alberta
March 15, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Beiseker

Opinion

We have audited the financial statements of Village of Beiseker (the "Village"), which comprise the statement of financial position as at December 31, 2023, and the results of its 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, change in its net financial debt and its 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 Village 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 Canadian 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 financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

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:

(continues)

Independent Auditor's Report to the Members of Village of Beiseker *(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 Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial 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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 13.
- Supplementary Accounting Principles and Standards Regulation:
In accordance with Alberta Regulation 313-2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 17.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Johnson.

*Vista Accounting
Professional Corporation*

Calgary, Alberta
April 22, 2024

VISTA ACCOUNTING PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

VILLAGE OF BEISEKER
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
Cash (Note 3)	\$ 1,268,441	\$ 342,525
Trade and other receivables (Note 4)	273,424	221,482
Taxes receivables (Note 5)	204,476	194,135
Land inventory held for resale	-	5,788
Other financial asset (Note 6)	5,139	4,871
Prepaid expenses	-	51,840
	<u>1,751,480</u>	<u>820,641</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	88,267	88,914
Deferred revenue (Note 9)	235,220	179,952
Long term debt (Note 11)	1,033,958	1,216,644
	<u>1,357,445</u>	<u>1,485,510</u>
NET FINANCIAL ASSETS (DEBT)	<u>394,035</u>	<u>(664,869)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	<u>9,590,064</u>	<u>10,792,264</u>
ACCUMULATED SURPLUS	<u>\$ 9,984,099</u>	<u>\$ 10,127,395</u>

CONTINGENT LIABILITY (Note 18)

Approved on behalf of Council


 _____ Mayor


 _____ Chief Administrative Officer

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

	Unaudited Budget	2023	2022
REVENUES			
Net municipal taxes (Schedule 3)	\$ 1,205,858	\$ 1,196,873	\$ 1,113,723
User fees and sales of goods	541,500	537,398	539,683
Rentals	119,000	141,124	124,173
Government transfers for operating (Schedule 4)	103,508	95,815	85,460
Franchise and concession contracts	72,000	60,169	62,652
Licenses and permits	52,975	52,823	56,394
Penalties and costs of taxes	37,250	42,736	39,907
Interest and investment income	7,600	33,601	9,127
Other revenue	24,500	233,760	69,530
	2,164,191	2,394,299	2,100,649
EXPENSES			
General Government			
Council and Other Legislative	\$ 46,670	\$ 42,214	\$ 44,899
General Administration	325,847	347,899	307,103
Protective Services			
By-law Enforcement	82,153	140,959	74,594
Police	7,390	4,908	4,632
Fire	95,692	184,072	136,038
Transportation			
Roads, streets, walks and lighting	390,266	631,707	594,177
Airport	28,829	56,865	47,796
Planning and development			
Land Use Planning, Zoning and Development	13,363	13,839	14,365
Economic/Agricultural Development	3,330	4,642	3,705
Subdivision Land and Development	12,000	14,682	1,393
Other Planning and Development	9,564	5,401	5,159
Planning and Subdivision	11,160	406	-
Public health and welfare			
Family and Community Support Services	16,867	45,909	45,874
Cemeteries and Crematoriums	-	-	380
Recreation and culture			
Parks and Recreation	183,233	174,890	161,914
Libraries, Museums, Halls	79,669	138,645	145,302
Environmental use and protection			
Water Supply and Distribution	344,040	415,463	378,441
Wastewater Treatment and Disposal	86,695	216,656	156,249
Waste Management	131,350	148,438	129,935
	1,868,118	2,587,595	2,251,956

See notes to financial statements

VILLAGE OF BEISEKER
Statement of Operations and Accumulated Surplus (continued)
Year Ended December 31, 2023

	Unaudited Budget	2023	2022
SURPLUS (DEFICIT) FROM OPERATIONS	296,073	(193,296)	(151,307)
OTHER INCOME			
Provincial Government	-	-	43,937
Federal Government (Schedule 4)	-	50,000	-
	-	50,000	43,937
ANNUAL SURPLUS (DEFICIT)	296,073	(143,296)	(107,370)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	10,127,395	10,234,765
ACCUMULATED SURPLUS - END OF YEAR	\$ 296,073	\$ 9,984,099	\$ 10,127,395

VILLAGE OF BEISEKER
Statement of Changes in Net Financial Assets (Debt)
Year Ended December 31, 2023

	Unaudited Budget	2023	2022
EXCESS OF REVENUE OVER EXPENSES	\$ 296,073	\$ (143,296)	\$ (107,370)
Amortization of tangible capital assets (Schedule 2)	53,982	530,982	520,885
Acquisition of tangible capital assets (Schedule 2)	-	(119,437)	(536,652)
Proceeds on disposal of tangible capital assets	-	518,280	-
Loss on disposal of assets	-	272,375	-
	<u>53,982</u>	<u>1,202,200</u>	<u>(15,767)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	350,055	1,058,904	(123,137)
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	<u>-</u>	<u>(664,869)</u>	<u>(541,732)</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	<u>\$ 350,055</u>	<u>\$ 394,035</u>	<u>\$ (664,869)</u>

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

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (143,296)	\$ (107,370)
Items not affecting cash:		
Amortization of property, plant and equipment	530,982	520,885
Loss on disposal of tangible capital assets	272,375	-
	<u>660,061</u>	<u>413,515</u>
Changes in non-cash working capital:		
Trade and other receivables	(51,942)	(25,038)
Taxes receivables	(10,341)	17,975
Land inventory held for resale	5,788	-
Prepaid expenses	51,840	(42,418)
Other financial asset	(268)	(230)
Accounts payable and accrued liabilities	(647)	8,490
Deposit liabilities	-	(100)
Deferred revenue	55,268	44,900
	<u>49,698</u>	<u>3,579</u>
Cash provided by operating transactions	<u>709,759</u>	<u>417,094</u>
CAPITAL		
Purchase of tangible capital assets	(119,437)	(536,652)
Proceeds on disposal of tangible capital assets	518,280	-
Cash flow provided by (applied to) capital	<u>398,843</u>	<u>(536,652)</u>
FINANCING		
Long term debt issued	-	137,821
Long term debt repaid	(182,686)	(118,855)
Cash flow provided by (applied to) financing	<u>(182,686)</u>	<u>18,966</u>
INCREASE (DECREASE) IN CASH FLOW	925,916	(100,592)
Cash - beginning of year	<u>342,525</u>	<u>443,117</u>
CASH - END OF YEAR	\$ 1,268,441	\$ 342,525

See notes to financial statements

VILLAGE OF BEISEKER
Schedule of Changes in Accumulated Surplus
(Schedule 1)
Year Ended December 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
Balance, beginning of year	\$ 424,319	\$ 127,456	\$ 9,575,620	\$ 10,127,395	\$ 10,234,765
Shortfall of revenue over expenses	(143,296)	-	-	(143,296)	(107,370)
Unrestricted funds designated for future use	(973,056)	973,056	-	-	-
Transfer from restricted funds	4,000	(4,000)	-	-	-
Current year funds used for tangible capital assets	(119,437)	-	119,437	-	-
Disposal of tangible capital assets	790,655	-	(790,655)	-	-
Annual amortization expense	530,982	-	(530,982)	-	-
Capital long term debt repaid	(182,686)	-	182,686	-	-
Balance, end of year	\$ 331,481	\$ 1,096,512	\$ 8,556,106	\$ 9,984,099	\$ 10,127,395

See notes to financial statements

VILLAGE OF BEISEKER
Schedule of Tangible Capital Assets
(Schedule 2)
Year Ended December 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
COST:								
BALANCE, BEGINNING OF YEAR	\$ 249,000	\$ 114,127	\$ 3,479,819	\$ 16,786,964	\$ 788,293	\$ 546,751	\$ 21,964,954	\$ 21,428,302
Acquisition of tangible capital assets	5,788	-	-	59,000	-	54,649	119,437	536,652
Disposal of tangible capital assets	(162,446)	-	(15,901)	(1,117,754)	(5,000)	(20,400)	(1,321,501)	-
COST: total	\$ 92,342	\$ 114,127	\$ 3,463,918	\$ 15,728,210	\$ 783,293	\$ 581,000	\$ 20,762,890	\$ 21,964,954
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	\$ -	\$ 94,647	\$ 2,295,045	\$ 8,024,053	\$ 461,902	\$ 297,043	\$ 11,172,690	\$ 10,651,805
Annual amortization	-	3,130	69,466	393,516	30,708	34,162	530,982	520,885
Accumulated amortization on disposals	-	-	(5,247)	(502,620)	(2,999)	(19,980)	(530,846)	-
ACCUMULATED AMORTIZATION total	\$ -	\$ 97,777	\$ 2,359,264	\$ 7,914,949	\$ 489,611	\$ 311,225	\$ 11,172,826	\$ 11,172,690
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 92,342	\$ 16,350	\$ 1,104,654	\$ 7,813,261	\$ 293,682	\$ 269,775	\$ 9,590,064	\$ 10,792,264
2022 NET BOOK VALUE OF CAPITAL TANGIBLE CAPITAL ASSETS	\$ 249,000	\$ 19,480	\$ 1,184,774	\$ 8,762,911	\$ 326,391	\$ 249,708	\$ 10,792,264	\$ -

See notes to financial statements

VILLAGE OF BEISEKER
Schedule of Property and Other Taxes
(Schedule 3)
Year Ended December 31, 2023

	Unaudited Budget	2023	2022
TAXATION			
Real Property Taxes	\$ 1,447,300	\$ 1,439,834	\$ 1,329,273
Linear property taxes	47,074	47,074	60,467
Government grants in place of property taxes	8,935	7,417	11,819
Special assessments and local improvement taxes	-	-	2,921
	1,503,309	1,494,325	1,404,480
REQUISITIONS			
Alberta School Foundation Fund	292,059	292,059	285,570
Rocky View Seniors Foundation Fund	5,392	5,393	5,188
	297,451	297,452	290,758
NET MUNICIPAL TAXES	\$ 1,205,858	\$ 1,196,873	\$ 1,113,722

VILLAGE OF BEISEKER
Schedule of Government Transfers
(Schedule 4)
Year Ended December 31, 2023

	Unaudited Budget	2023	2022
TRANSFERS FOR OPERATING			
Provincial Government	\$ 63,508	\$ 63,315	\$ 47,001
Other Local Governments	35,000	27,500	20,000
Federal Government	5,000	5,000	18,459
	103,508	95,815	85,460
TRANSFERS FOR CAPITAL			
Federal Government	-	50,000	-
Provincial Government	-	-	43,937
	-	50,000	43,937
INCOME FROM OPERATIONS	\$ 103,508	\$ 145,815	\$ 129,397

VILLAGE OF BEISEKER
Schedule of Consolidated Expenses by Object
(Schedule 5)
For the Year Ended December 31, 2023

	Unaudited Budget	2023	2022
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits <i>(Note 17)</i>	\$ 685,320	\$ 835,254	\$ 564,063
Contracted and general services <i>(Note 19)</i>	751,707	937,131	834,038
Materials, goods, supplies and utilities	39,938	42,580	270,916
Transfers to local boards and agencies	63,325	101,411	13,512
Bank charges and short term interest	5,206	1,548	8,095
Interest on capital long term debt	25,779	67,144	25,017
Interest on operation long term debt	3,740	3,732	6,499
Other expenses	293,103	67,813	8,931
Amortization of tangible capital assets	-	530,982	520,885
	<u>\$ 1,868,118</u>	<u>\$ 2,587,595</u>	<u>\$ 2,251,956</u>

VILLAGE OF BEISEKER
Schedule of Segmented Disclosure
(Schedule 6)
Year Ended December 31, 2023

	General Government	Protective Services	Transportation Services	Planning and Development	Public Health and Welfare	Recreation and Culture	Environmental Services	2023
REVENUE								
Net municipal property taxes	\$ 1,196,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,196,873
User fees and sales of goods	-	19,083	-	151	-	-	518,164	537,398
Rentals	-	-	44,791	-	-	96,333	-	141,124
Government transfers for operating	37,990	-	1,530	-	23,795	25,000	7,500	95,815
Franchise and concession contracts	60,169	-	-	-	-	-	-	60,169
Licenses and permits	3,600	35,990	-	13,233	-	-	-	52,823
Penalties and costs of taxes	39,875	-	-	-	-	-	2,861	42,736
Interest and investment income	33,601	-	-	-	-	-	-	33,601
Other revenue	122,277	234,161	(125,029)	2,351	-	-	-	233,760
	<u>\$ 1,494,385</u>	<u>\$ 289,234</u>	<u>\$ (78,708)</u>	<u>\$ 15,735</u>	<u>\$ 23,795</u>	<u>\$ 121,333</u>	<u>\$ 528,525</u>	<u>\$ 2,394,299</u>
EXPENSES								
Salaries, wages and benefits	\$ 232,679	\$ 191,837	\$ 140,976	\$ 14,342	\$ 17,663	\$ 85,878	\$ 151,879	\$ 835,254
Contracted and general services	126,961	40,425	190,721	19,401	14,997	108,065	436,561	937,131
Materials, goods and utilities	5,965	8,402	24,958	-	-	2,212	1,043	42,580
Transfers to local boards and agencies	6,886	13,769	9,286	-	8,800	62,670	-	101,411
Bank charges and short-term interest	-	-	-	-	-	52	1,496	1,548
Interest on capital long-term debt	-	42,921	21,919	-	156	-	2,148	67,144
Interest on operation long-term debt	3,732	-	-	-	-	-	-	3,732
Other Expenses	12,100	8,617	4,070	-	4,293	-	38,733	67,813
	<u>\$ 388,323</u>	<u>\$ 305,971</u>	<u>\$ 391,930</u>	<u>\$ 33,743</u>	<u>\$ 45,909</u>	<u>\$ 258,877</u>	<u>\$ 631,860</u>	<u>\$ 2,056,613</u>
NET REVENUE, BEFORE AMORTIZATION AND OTHER	\$ 1,106,062	\$ (16,737)	\$ (470,638)	\$ (18,008)	\$ (22,114)	\$ (137,544)	\$ (103,335)	\$ 337,686
Capital government transfers	-	-	50,000	-	-	-	-	50,000
	-	-	-	-	-	-	-	-

(continues)

VILLAGE OF BEISEKER
Schedule of Segmented Disclosure (continued)
(Schedule 6)
Year Ended December 31, 2023

	General Government	Protective Services	Transportation Services	Planning and Development	Public Health and Welfare	Recreation and Culture	Environmental Services	2023
<i>(continued)</i>								
Amortization expense	(1,790)	(23,968)	(296,642)	(5,227)	-	(54,658)	(148,697)	(530,982)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 1,104,272	\$ (40,705)	\$ (717,280)	\$ (23,235)	\$ (22,114)	\$ (192,202)	\$ (252,032)	\$ (143,296)

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

1. NATURE OF ORGANIZATION

The Village of Beiseker (the "Village") is a Municipality in the Province of Alberta. The 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 financial statements of the Village of Beiseker 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 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.

Basis of presentation

(continues)

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

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

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.

(continues)

VILLAGE OF BEISEKER
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 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.

(continues)

VILLAGE OF BEISEKER
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.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

(continues)

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

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

Land improvements	15 - 25 years
Buildings	50 years
Equipment	2 - 30 years
Motor Vehicles	5 - 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.

3. CASH AND TEMPORARY INVESTMENTS

	2023	2022
Cash	\$ 1,268,441	\$ 342,525

Included in Cash and Temporary Investments is a restricted amount of \$78,230 (2022 - \$77,773). The restricted funds relate to government grants funds that are being held exclusively for approved projects and deferred revenue (Note 9).

The Village has access to a 5 year fixed open term loan for \$170,000 at a rate of 5.0%. At December 31, 2023 the line of credit had not been utilized.

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

4. TRADE AND OTHER RECEIVABLES

	2023	2022
Water and sewer receivables	\$ 71,845	\$ 78,773
Grants receivable	175,041	112,000
Trade accounts receivables	10,886	23,990
Goods and Services Tax receivable	15,652	6,719
	\$ 273,424	\$ 221,482

5. TAXES RECEIVABLE

	2023	2022
Current taxes	\$ 194,135	\$ 167,101
Arrears taxes	10,341	27,034
	\$ 204,476	\$ 194,135

6. OTHER FINANCIAL ASSET

	2023	2022
Mountain View Credit Union shares	\$ 5,139	\$ 4,871

7. BANK INDEBTEDNESS

The Village has an authorized overdraft limit of \$600,000 to finance day to day operating requirements and is payable on demand bearing interest of the Mountain View Credit Union's prime rate with an effective rate of 6.45%, of which \$600,000 remains unused as of December 31, 2023.

Bank loans are issued on the credit and security of the Village of Beiseker at large.

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

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade accounts payable	\$ 56,859	\$ 22,138
Employee benefit obligations	28,583	25,592
Other accounts payable	2,825	21,185
Accrued liabilities	-	19,999
	\$ 88,267	\$ 88,914

9. DEFERRED REVENUE

	2023	2022
Municipal Sustainability Initiative	\$ 182,351	\$ 179,730
Canada Community Building Fund	51,271	-
MSI Capital grant interest	1,598	222
	\$ 235,220	\$ 179,952

Municipal Sustainability Initiative

The Municipal Sustainability Initiative ('MSI') is a funding program aimed at providing financial support for critical core and community infrastructure projects and includes incentives to encourage collaboration and cooperation between neighbouring municipalities. This population-based funding program includes operating, capital and affordable housing components. The balance at year-end represents the unspent portion of the funding receivable to date plus interest earned.

A portion of the unexpended funds held in deferred revenue are supported by cash and temporary investments as noted in Note 3.

Canada Community Building Fund

The Canada Community Building Fund provides predictable, long term, stable funding for Canadian municipalities to help them build and revitalize their local public infrastructure while creating jobs and long term prosperity. The use of these funds is intended to cover capital costs only and may not be used for maintenance costs, operating costs, debt reduction, or replacement of existing municipal infrastructure expenditures. During the year \$51,271 was spent on projects and recognized as revenue. This amount was not received before year end but is expected to be received in 2024 and has been setup as a receivable. The funds were used from the MSI funds until the Canada Community Building funds are received.

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

10. 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.

11. LONG TERM DEBT

	2023	2022
Bank loans - Operating	\$ 47,782	\$ 78,811
Bank loans - Restricted	92,966	110,240
Bank loans - Capital	893,210	1,025,784
Capital leases	-	1,809
	\$ 1,033,958	\$ 1,216,644

Bank loans are repayable to the Mountain View Credit Union and bears interest at 1.99% to 2.74% per annum and mature in 2027.

Bank loans are issued on the credit and security of the Village of Beiseker at large.

12. PRINCIPAL AND INTEREST REPAYMENTS ON LONG-TERM DEBT

	Principal	Interest	Total
2024	\$ 132,536	\$ 24,967	\$ 157,503
2025	109,852	22,080	131,932
2026	80,039	19,495	99,534
2027	63,680	17,813	81,493
2028	65,216	16,286	81,502
Thereafter	582,635	152,693	735,328
	\$ 1,033,958	\$ 253,334	\$ 1,287,292

The current portion of long term debt amounts to \$132,536 (2022 - \$136,726).

Interest on long term debt amounted to \$27,907 (2022 - \$30,249).

The Village's total cash payments for interest in 2023 were \$27,907 (2022 - \$30,249).

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

13. DEBT AND DEBT SERVICE LIMITS

Section 276(2) of the Municipal Government Act requires that debt limits as defined by Alberta Regulation 255/00 for the Village of Beiseker be disclosed as follows:

	2023	2022
Total debt limit	\$ 3,666,449	\$ 3,216,879
Total debt (Note 6, 10, 11)	(1,033,959)	(1,216,644)
Amount of surplus debt limit	2,632,490	2,000,235
Debt servicing limit	611,075	536,147
Debt servicing	(157,503)	(166,388)
Amount of debt servicing limit unused	453,572	369,759

The debt limit is calculated at 1.5 times revenue of the municipality, as defined in Alberta regulation 255/00, and the debt servicing 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 alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

14. TANGIBLE CAPITAL ASSETS

	2023	2022
Land	\$ 92,342	\$ 249,000
Land improvements	16,350	19,480
Buildings	1,104,654	1,184,774
Engineered structure		
Roads and sidewalks	4,488,177	5,316,032
Water distribution system	1,208,771	1,248,065
Wastewater treatment system and storm sewers	2,116,313	2,198,814
Other machinery and equipment	293,682	326,391
Motor Vehicles	269,775	249,708
	\$ 9,590,064	\$ 10,792,264

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

15. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets (Schedule 2)	\$ 20,762,890	\$ 21,964,954
Accumulated amortization (Schedule 2)	(11,172,826)	(11,172,690)
Long term debt (Note 12)	(1,033,958)	(1,216,644)
	\$ 8,556,106	\$ 9,575,620

16. ACCUMULATED SURPLUS

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

	2023	2022
Unrestricted surplus	\$ 331,481	\$ 424,319
Restricted surplus		
Enforcement reserves	9,536	1,800
Wastewater	4,318	4,318
Off-site Levy Land Reserve	200	200
Sewer system	100,000	40,000
Firefighting service	125,928	4,018
Garbage	4,000	4,000
Common service	50,000	20,000
Cash-in-lieu	18,687	18,687
Recreation reserve	22,500	-
Policing	30,323	18,433
Water servicing	61,020	15,000
Lagoon upgrade	200,000	-
Airport reserve	469,000	-
E.D. Reserves	1,000	1,000
Equity in tangible capital assets (Note 15)	8,556,106	9,575,620
	\$ 9,984,099	\$ 10,127,395

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

17. SALARY AND BENEFITS DISCLOSURE

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

	Salary	Benefits and Allowances	2023	2022
Mayor and Councilors				
Mayor David	\$ 1,589	\$ -	\$ 1,589	\$ -
Deputy King	6,827	-	6,827	6,827
Councilor Warren	7,520	-	7,520	7,748
Councilor Ursu	4,383	-	4,383	7,827
Councilor Spurgeon	8,227	-	8,227	8,027
Councilor Snyder	6,827	-	6,827	6,827
Chief Administrative Officer	78,090	2,903	80,993	78,124
	<u>\$ 113,463</u>	<u>\$ 2,903</u>	<u>\$ 116,366</u>	<u>\$ 115,380</u>

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

2) Employer's share of all employee benefits and contributions made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

18. CONTINGENT LIABILITY

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

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

19. RELATED PARTY TRANSACTIONS

The Aqua 7 Regional Water Commission has been identified as a related party. The village of Beiseker has entered into an agreement with the Commission for a supply of water service.

Service fees are based on budgeted operating costs of the Commission. Water purchases are based on actual water consumption during the year. Fees and rates are reviewed by the Commission on an annual basis.

Service fees and water purchases paid to the Commission for 2023 were \$207,661 (2022 - \$230,206).

Amount payable to the Commission at December 31, 2023 is \$16,718 (2022 - \$17,624).

20. FINANCIAL INSTRUMENTS

The Village's financial instruments consists of cash and temporary investments, taxes, trade and other receivables, other financial asset, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, and long term debt. It is management's opinion that the commission is not exposed to significant currency risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

(a) Credit risk

Credit risk arises from the potential that taxpayers and entities to which the Village provides services may experience financial difficulty and be unable to fulfill its obligations. The organization is exposed to credit risk with respect to taxes receivables and trade and other receivables. The organization has a significant number and diversity of taxpayers and customers which minimizes the concentration of credit risk.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Village is exposed to interest rate risk primarily through its fixed interest rate through the bank loan financing with Mountain View Credit Union. The Village's exposure to interest rate risk is negligible.

21. BUDGET FIGURES

Budget figures are included for information purposes only and are not audited.

22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.
