



2018

ANNUAL REPORT



TABLE OF CONTENTS

- FINANCIAL STATEMENTS 2
 - Management Report 2
 - Consolidated Statement of Financial Position 3
 - Consolidated Statement of Operations..... 4
 - Consolidated Statement of Change in Net Financial Assets..... 5
 - Consolidated Statement of Cash Flows..... 5
 - Debt Limits..... 6
 - Salary and Benefits Disclosure 6

- INFRASTRUCTURE PROJECTS 7
 - Completed Projects 7
 - 2019 Planned Projects..... 7

FINANCIAL STATEMENTS

The consolidated financial statements present fairly, in all material respects, the financial position of the Village of Hussar as at December 31, 2018, the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards. The following is a summary of the consolidated financial statements. For a complete copy please visit www.villageofhussar.ca.

Management Report

The consolidated financial statements are the responsibility of the management of the Village of Hussar.

These consolidated financial statements have been prepared from information provided by management. Financial statements are not precise since they can include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Village maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Village's assets are properly accounted for and adequately safeguarded.

The elected Council of the Village of Hussar is responsible for ensuring that management fulfills its responsibilities for the financial statements. Council carries out its responsibilities principally through the committee of the whole.

The Council meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council also considers the engagement or re-appointment of external auditors. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Village. Avail LLP has full and free access to the Council.

Kate Brandt
Chief Administrative Officer

Consolidated Statement of Financial Position

As at December 31, 2018

Financial Assets			
Cash and temporary investments			
	Cash	\$	478,571
	Temporary investments		<u>25,996</u>
			504,567
Taxes and grants in place of taxes receivable			
	Taxes and grants in place of taxes receivable		43,880
	Arrears		<u>24,519</u>
			68,399
Trade and other receivables			
			<u>111,495</u>
			684,461
Liabilities			
Accounts payable and accrued liabilities			
			30,371
Deferred revenue			
	Wheatland County Regional Infrastructure Services		66,734
	Miscellaneous		11,225
	Cemetery Trust		10,259
	Alberta Community Partnership		20,004
	Municipal Sustainability Initiative Grant-Capital		1,595
	FGTF Capital Grant		<u>891</u>
	Other Liabilities		189,487
Long-term debt			
			<u>39,580</u>
			370,146
Net financial assets			
			314,315
Non-financial assets			
Tangible capital assets			
			4,899,821
Accumulated surplus*			
			\$ 5,214,288
*Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:			
Unrestricted surplus			
		\$	140,215
Internally restricted surplus (reserves)			
	Operating Reserve	\$	10,000
	Capital Reserve		<u>203,832</u>
			213,832
Equity in tangible capital assets			
	Tangible capital assets		7,699,420
	Accumulated amortization		(2,799,599)
	Long-term debt		<u>(39,580)</u>
			4,860,241
		\$	<u>5,214,288</u>

Consolidated Statement of Operations

For the year ended December 31, 2018

	Budget	Actual
Revenue		
Net municipal property taxes	\$ 185,241	\$ 185,242
User fees and sale of goods	487,632	428,245
Government transfers for operating	47,452	33,599
Investment income	148	2,278
Penalties and costs of taxes	9,500	12,651
Licenses and permits	575	205
Franchise and concession contracts	42,000	36,599
Other	4,300	1,695
	776,848	700,514
Expenses		
Legislative	18,500	17,553
Administrative	126,564	111,966
Protective Services	12,594	10,905
Common and equipment pool	21,104	21,218
Roads, streets, walks and lighting	110,579	137,072
Water supply and distribution	415,637	412,463
Wastewater treatment and disposal	88,436	33,240
Waste management	26,971	23,093
Public health and welfare services	6,192	4,358
Planning and development	23,892	2,022
Culture – libraries, museums, hall	4,324	3,131
Other recreation and culture	70,722	55,079
	925,515	832,100
Excess (deficiency) of revenue over expense before other	(148,667)	(131,586)
Other		
Government transfers for capital	-	-
Excess of revenue over expenses	(148,667)	(131,586)
Accumulated surplus, beginning of year		
As previously stated	5,426,466	5,426,466
Prior period adjustment	-	(80,592)
As restated	5,426,466	5,345,874
Accumulated surplus, end of year	\$ 5,277,799	\$ 5,214,288

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2018

	Budget	Actual
Excess of revenue over expenses	\$ (148,667)	\$ (131,586)
Acquisition of tangible capital assets	-	(27,017)
Amortization of tangible capital assets	174,061	186,824
Loss on disposal of tangible capital assets	-	-
	174,061	159,807
Net change in prepaid expense	-	-
Increase in net financial assets	25,394	28,221
Net financial assets, beginning of year		
As previously stated	373,951	373,951
Prior period Adjustment		(87,857)
As restated	5,345,874	286,094
Net financial assets, end of year	\$ 311,488	\$ 314,315

Consolidated Statement of Cash Flow

For the year ended December 31, 2018

Operating transactions	
Excess of revenue over expenses	\$ (131,586)
Adjustments for items which do not effect cash	
Loss on disposal of tangible capital assets	-
Amortization of tangible capital assets	186,824
	55,238
Net change in non-cash working capital items	
Taxes and grants in place of taxes receivable	(18,313)
Trade and other receivables	8,338
Other liabilities	35,632
Prepaid expenses	-
Accounts payable and accrued liabilities	(4,530)
Deferred revenue	(81,807)
Cash provided by operating transactions	158,175
Capital transaction	
Acquisition of tangible capital assets	(27,017)
Financing transactions	
Repayment of long-term debt	(6,697)
(Decrease) increase in cash and temporary investments	124,458
Cash and temporary investments, beginning of year	380,109
Cash and temporary investments, end of year	\$ 504,567

Debt Limits

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

Total debt limit	\$	1,050,771
Total debt		39,580
	\$	1,011,191
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Debt servicing limit	\$	175,129
Debt servicing		9,300
	\$	165,829

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

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:

	Salary (1)	Benefits (2)	Total
Council			
Tim Frank	\$ 5,500	-	\$ 5,500
Corey Fisher	3,825	-	3,825
Les Schultz	3,850		3,850
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Chief Administrative Officer	\$ 50,308	\$ 8,367	\$ 58,675

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

(2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long- and short-term disability plans, professional memberships, and tuition.

Benefits and allowances figure 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.

Infrastructure Projects

Completed Projects

2nd Avenue East Upgrades (Grant Funded)

- Replacement of water and sewer mains and installation of new curb and sidewalk from 1st Ave E to 2nd Ave E and complete rebuild of road from Hwy 561 to 1st Ave E.
- Total Costs: \$673,902; No current property tax revenue utilized for the project

Road/Alley Gravel (Grant Funded)

- Complete re-gravelling of all alleys and gravel roads within the Village.
- Total Costs: \$24,733; No current property tax revenue utilized for the project

LED Streetlights (No capital installation costs)

- Replacement of current lights with LED lights by Fortis.

2019 & 2020 Planned Projects

2019 will be a design-engineering year for the Village in order to allow us to accumulated grant funding. 2020 we will continue 2nd Avenue East Upgrades. Replacement of water and sewer mains from Centre Street to 1st Street East. Other future projects will be determined based on the 10-year Capital Infrastructure Plan and will be adjusted based on funding availability and possible future critical requirements.