



2019

ANNUAL REPORT



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FINANCIAL STATEMENTS

The consolidated financial statements present fairly, in all material respects, the financial position of the Village of Hussar as at December 31, 2019, 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

Management of the Village of Hussar is responsible for the preparation, accuracy, objectivity and integrity of the accompanying 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, 2019 and the results of its operations for the year then ended.

The 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 judgements. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management 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 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 consolidated financial statements.

The consolidated financial statements have been audited by Dorward & Company LLP, Chartered Professional Accountants, 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

Kate Brandt
Chief Administrative Officer

Consolidated Statement of Financial Position

As at December 31, 2019

Financial Assets			
Cash and temporary investments			
	Cash	\$	797,511
	Temporary investments		<u>26,048</u>
			823,559
Taxes and grants in place of taxes receivable			
	Taxes and grants in place of taxes receivable		29,479
	Arrears		<u>25,460</u>
			54,939
Trade and other receivables			
			<u>116,386</u>
			994,884
Liabilities			
Accounts payable and accrued liabilities			
			23,348
Deferred revenue			
	Wheatland County Regional Infrastructure Services		133,362
	Miscellaneous		10,409
	Cemetery Trust		10,362
	Alberta Community Partnership		20,044
	Municipal Sustainability Initiative Grant-Capital		154,888
	Municipal Sustainability Initiative Grant-Operating		28,145
	FGTF Capital Grant		<u>893</u>
	Other Liabilities		220,657
Long-term debt			
			<u>32,506</u>
			634,614
Net financial assets			
			360,270
Non-financial assets			
Tangible capital assets			
			4,722,478
Accumulated surplus*			
			\$ 5,082,748
*Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:			
Unrestricted surplus			
		\$	178,944
Internally restricted surplus (reserves)			
	Operating Reserve	\$	10,000
	Capital Reserve		<u>203,832</u>
			213,832
Equity in tangible capital assets			
	Tangible capital assets		7,709,953
	Accumulated amortization		(2,987,475)
	Long-term debt		<u>(32,506)</u>
			4,689,972
		\$	<u>5,082,748</u>

Consolidated Statement of Operations

For the year ended December 31, 2019

	Budget	Actual
Revenue		
Net municipal property taxes	\$ 194,889	\$ 193,586
User fees and sale of goods	421,949	441,197
Government transfers for operating	42,297	28,305
Investment income	1,930	1,745
Penalties and costs of taxes	10,000	9,869
Licenses and permits	225	515
Franchise and concession contracts	35,500	36,061
Other	1,000	4,710
	707,790	715,988
Expenses		
Legislative	19,690	18,333
Administrative	110,222	104,946
Protective Services	12,451	11,259
Common and equipment pool	18,569	13,068
Roads, streets, walks and lighting	138,122	160,008
Water supply and distribution	334,766	405,780
Wastewater treatment and disposal	37,474	32,675
Waste management	25,105	22,609
Public health and welfare services	24,299	21,867
Planning and development	21,930	1,930
Culture – libraries, museums, hall	3,148	3,149
Other recreation and culture	56,267	51,905
	802,043	847,529
Excess (deficiency) of revenue over expense before other	(94,253)	(131,541)
Other		
Government transfers for capital	-	-
Excess of revenue over expenses	(94,253)	(131,541)
Accumulated surplus, beginning of year		
As previously stated	5,214,289	5,214,289
Prior period adjustment	-	-
As restated	5,214,289	5,214,289
Accumulated surplus, end of year	\$ 5,120,036	\$ 5,082,748

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2019

	Budget	Actual
Excess of revenue over expenses	\$ (94,253)	\$ (131,541)
Purchase of tangible capital assets	(42,005)	(2,300)
Amortization of tangible capital assets	183,283	186,824
Decrease in prepaid expenses	-	152
	141,278	185,728
Net change in prepaid expense	-	-
Increase in net financial assets	47,025	54,187
Net financial assets, beginning of year		
As previously stated	450,060	306,083
Prior period Adjustment		
As restated	450,060	306,083
Net financial assets, end of year	\$ 497,085	\$ 360,270

Consolidated Statement of Cash Flow

For the year ended December 31, 2019

Operating transactions	
Excess of revenue over expenses	\$ (131,541)
Adjustments for items which do not effect cash	
Loss on disposal of tangible capital assets	-
Amortization of tangible capital assets	1867,876
	56,335
Net change in non-cash working capital items	
Taxes and grants in place of taxes receivable	13,460
Trade and other receivables	(4,891)
Other liabilities	-
Prepaid expenses	152
Accounts payable and accrued liabilities	(7,019)
Deferred revenue	247,394
Cash provided by operating activities	305,431
Capital transaction	
Acquisition of tangible capital assets	(2,300)
Financing transactions	
Advances from members	22,935
Repayment of long-term debt	(7,074)
Cash flow from (used by) financing activities	15,861
(Decrease) increase in cash and temporary investments	318,992
Cash and temporary investments, beginning of year	504,567
Cash and temporary investments, end of year	\$ 823,559

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	\$ 1,073,982
Total debt	(32,506)
	\$ 1,041,476
Debt servicing limit	\$ 178,997
Debt servicing	(9,300)
	\$ 169,697

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	\$ 4,150	-	\$ 4,150
Corey Fisher	4,875	-	4,875
Les Schultz	4,225		4,225
Chief Administrative Officer			
Designated Assessor	\$ 43,363	\$ 3,887	\$ 47,523
	5,400		5,400

(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 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

2020 Planned 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 Centre Street
- Total Costs: \$729,047; No current property tax revenue utilized for the project