

VILLAGE OF EDGERTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Brian King Professional Corporation

Box 560, Hardisty, Alberta T0B 1V0

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Edgerton:

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of the Village of Edgerton (the Entity), which comprise the consolidated statement of financial position as at December 31, 2023, and the results of its operations, changes in its net financial assets (debt) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Edgerton as at December 31, 2023, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 Entity'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 cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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- 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- **Debt Limit Regulation:**
In accordance with Alberta Regulation 255/2000, I 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 7.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, I 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 11.

M.D. of Wainwright
May 22, 2024



Brian King Professional Corporation
Chartered Professional Accountant

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash (Note 2)	383,601	372,794
Term deposits (Note 2)	656,148	390,855
Taxes and grants in place of taxes (Note 3)	114,910	100,623
Trade and other receivables	17,259	13,324
Receivable from other governments	359,686	509,507
Other financial assets	1,523	1,252
	<u>1,533,127</u>	<u>1,388,355</u>
LIABILITIES		
Accounts payable and accrued liabilities	59,993	232,666
Deposits held in trust	1,285	1,285
Waste transfer site closure	75,000	-
Deferred revenue (Note 5)	541,945	437,043
Long term debt (Note 6)	20,000	30,000
	<u>698,223</u>	<u>700,994</u>
NET FINANCIAL ASSETS	<u>834,904</u>	<u>687,361</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	5,837,331	5,985,955
Inventory held for resale	284,950	284,950
Prepaid expenses	83,774	74,102
	<u>6,206,055</u>	<u>6,345,007</u>
ACCUMULATED SURPLUS (NOTE 8)	<u>7,040,959</u>	<u>7,032,368</u>

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (unaudited)	2023	2022
REVENUE			
Net municipal property taxes (Schedule 3)	388,694	391,732	359,808
User fees and sales of goods	255,301	265,130	249,298
Penalties and costs on taxes	11,000	4,424	8,978
Licenses and permits	300	771	69
Fines	1,000	687	1,107
Franchise and concession contracts	75,000	76,460	75,880
Investment income	7,500	45,927	12,310
Rentals	3,000	3,924	2,828
Government transfers for operating	351,952	405,719	344,177
Other	3,600	42,452	57,574
Gain on disposal of assets	-	-	9,000
	<u>1,097,347</u>	<u>1,237,226</u>	<u>1,121,029</u>
EXPENSES			
Legislative	38,500	36,168	35,347
Administration	293,250	194,887	323,100
Protective services	141,870	119,573	135,310
Transportation	143,300	143,630	131,334
Water supply and distribution	88,250	129,179	105,904
Wastewater treatment and disposal	74,181	80,628	99,214
Waste management	87,500	191,564	80,858
Public health and welfare	5,100	20,508	4,146
Recreation	172,450	94,935	163,912
Culture	29,000	50,260	32,652
Amortization	50,300	269,643	258,076
	<u>1,130,201</u>	<u>1,330,975</u>	<u>1,375,062</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(32,854)	(93,749)	(254,033)
OTHER			
Government transfers for capital (Schedule 4)	79,815	102,340	312,310
EXCESS OF REVENUE OVER EXPENSES	46,961	8,591	58,277
ACCUMULATED SURPLUS, BEGINNING OF YEAR	7,032,368	7,032,368	6,974,091
ACCUMULATED SURPLUS, END OF YEAR	<u>7,079,329</u>	<u>7,040,959</u>	<u>7,032,368</u>

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (unaudited)	2023	2022
EXCESS OF REVENUE OVER EXPENSES	46,961	8,591	58,277
Acquisition of tangible capital assets	-	(121,019)	(508,708)
Proceeds on disposal of tangible capital assets	-	-	9,000
Amortization of tangible capital assets	50,300	269,643	258,076
Loss (gain) on sale of tangible capital assets	-	-	(9,000)
Net (increase) decrease of prepaid assets	-	(9,672)	12,897
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	97,261	147,543	(179,458)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	687,361	687,361	866,819
NET FINANCIAL ASSETS, END OF YEAR	<u>784,622</u>	<u>834,904</u>	<u>687,361</u>

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	8,591	58,277
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	269,643	258,076
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(14,287)	(39,184)
Decrease (increase) in trade and other receivables	(3,935)	51,693
Decrease (increase) in receivable from other governments	149,821	57,418
Decrease (increase) in inventory held for resale	-	3,428
Decrease (increase) in prepaid expenses	(9,672)	12,897
Decrease (increase) in other financial assets	(271)	-
Increase (decrease) in accounts payable and accrued liabilities	(172,673)	193,039
Increase (decrease) in waste transfer site closure	75,000	-
Increase (decrease) in deferred revenue	104,902	(50,035)
	407,119	536,609
CAPITAL		
Acquisition of tangible capital assets	(121,019)	(508,708)
Sale of tangible capital assets	-	9,000
	(121,019)	(499,708)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	(71,711)	(81,655)
FINANCING		
Long-term debt repaid	(10,000)	(10,000)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	204,389	(54,754)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	601,738	966,342
CASH AND CASH EQUIVALENTS, END OF YEAR	806,127	601,738
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash on hand	100	100
Cash in bank	383,501	372,694
Term deposits	656,148	390,855
Less: restricted portion of cash and term deposits (Note 2)	(233,622)	(161,911)
	806,127	601,738

VILLAGE OF EDGERTON

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	626,654	449,759	5,955,955	7,032,368	6,974,091
Excess (deficiency) of revenues over expenses	8,591	-	-	8,591	58,277
Unrestricted funds designated for future use	(148,995)	148,995	-	-	-
Current year funds used for tangible capital assets	(121,019)	-	121,019	-	-
Annual amortization expense	269,643	-	(269,643)	-	-
Long term debt repaid	(10,000)	-	10,000	-	-
Change in accumulated surplus	(1,780)	148,995	(138,624)	8,591	58,277
BALANCE, END OF YEAR	624,874	598,754	5,817,331	7,040,959	7,032,368

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 2)

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2023	2022
COST:								
Balance - beginning of year	140,000	170,697	2,769,599	5,423,161	1,119,280	364,225	9,986,962	9,496,054
Acquisition of tangible capital assets	-	-	-	95,220	25,799	-	121,019	508,708
Disposal of tangible capital assets	-	-	-	-	(7,150)	-	(7,150)	(17,800)
Balance - end of year	140,000	170,697	2,769,599	5,518,381	1,137,929	364,225	10,100,831	9,986,962
ACCUMULATED AMORTIZATION								
Balance - beginning of year								3,760,731
Annual amortization	-	8,535	57,772	135,246	48,290	19,800	269,643	258,076
Accumulated amortization on disposals	-	-	-	-	(7,150)	-	(7,150)	(17,800)
Balance - end of year	-	128,453	699,079	2,698,384	517,815	219,769	4,263,500	4,001,007
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	140,000	42,244	2,070,520	2,819,997	620,114	144,456	5,837,331	5,985,955
PRIOR YEAR NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	140,000	50,779	2,128,292	2,860,023	642,605	164,256	5,985,955	

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CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 3)

	Budget (Unaudited)	2023	2022
TAXATION			
Real property taxes	449,029	450,211	419,977
Linear property taxes	20,690	20,690	20,116
Government grants in place of property taxes	917	917	824
	<u>470,636</u>	<u>471,818</u>	<u>440,917</u>
REQUISITIONS			
Alberta School Foundation	76,942	75,161	76,943
Battle River Foundation	5,000	4,925	4,166
	<u>81,942</u>	<u>80,086</u>	<u>81,109</u>
NET MUNICIPAL TAXES	<u>388,694</u>	<u>391,732</u>	<u>359,808</u>

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CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 4)

	Budget (Unaudited)	2023	2022
TRANSFERS FOR OPERATING			
Federal Government	-	9,450	50,000
Provincial Government	114,982	132,434	60,869
Local Governments	236,970	263,835	233,308
	<u>351,952</u>	<u>405,719</u>	<u>344,177</u>
TRANSFERS FOR CAPITAL			
Provincial Government	79,815	27,340	266,093
Local Governments	-	75,000	46,217
	<u>79,815</u>	<u>102,340</u>	<u>312,310</u>
TOTAL GOVERNMENT TRANSFERS	<u>431,767</u>	<u>508,059</u>	<u>656,487</u>

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CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 5)

	Budget (Unaudited)	2023	2022
Expenditures			
Salaries, wages and benefits	426,981	372,662	366,887
Contracted and general services	317,550	361,764	414,499
Materials, goods and utilities	163,700	204,020	171,421
Transfers to other governments	12,970	12,970	10,963
Transfers to local boards and agencies	140,000	86,584	134,069
Transfers to individuals and agencies	4,500	-	1,525
Bank charges and short term interest	1,500	898	1,343
Other expenditures	12,700	22,434	16,279
Amortization of tangible capital assets	50,300	269,643	258,076
Loss (gain) on disposal of tangible capital assets	-	-	(9,000)
	<u>1,130,201</u>	<u>1,330,975</u>	<u>1,366,062</u>

VILLAGE OF EDGERTON

SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal property taxes (Schedule 2)	391,732	-	-	-	-	-	-	391,732
User fees and sales of goods	70	18,955	3,213	233,313	6,443	-	3,136	265,130
Penalties and costs on taxes	4,424	-	-	-	-	-	-	4,424
Licenses and permits	771	-	-	-	-	-	-	771
Fines	687	-	-	-	-	-	-	687
Franchise and concession contracts	76,460	-	-	-	-	-	-	76,460
Investment income	38,753	-	-	-	1,862	-	5,312	45,927
Rentals	3,924	-	-	-	-	-	-	3,924
Government transfers	141,884	80,933	-	-	1,000	-	181,902	405,719
Other	5,147	434	2,859	-	12,015	-	21,997	42,452
	663,852	100,322	6,072	233,313	21,320	-	212,347	1,237,226
EXPENSES								
Salaries, wages and benefits	90,954	45,057	53,894	182,757	-	-	-	372,662
Contracted and general services	99,917	28,301	12,500	160,436	1,877	-	58,733	361,764
Materials, goods and utilities	19,717	29,789	77,055	57,965	14,246	-	5,248	204,020
Transfers to other governments	-	12,970	-	-	-	-	-	12,970
Transfers to local boards and agencies	-	1,885	-	-	-	-	81,214	86,584
Bank charges and short term interest	898	-	-	-	-	-	-	898
Other expenditures	19,569	1,571	181	213	900	-	-	22,434
	231,055	119,573	143,630	401,371	20,508	-	145,195	1,061,332
NET REVENUE, BEFORE AMORTIZATION	432,797	(19,251)	(137,558)	(168,058)	812	-	67,152	175,894
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	10,894	39,162	105,619	57,101	740	-	56,127	269,643
NET REVENUE	421,903	(58,413)	(243,177)	(225,159)	72	-	11,025	(93,749)

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Edgerton are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian association of Chartered Professional Accountants.

Significant aspects of the accounting policies adopted by the village are as follows:

a) Reporting Entity

The 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 are, therefore accountable to the Council for the administration of their financial affairs and resources. Included with the municipality are the following:

The schedule of taxes levied also includes requisitions for education, health, 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.

b) Basis of Accounting

The financial statements 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 the 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 recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) 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.

e) 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.

f) Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

g) 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.

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) 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.

i) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

j) 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.

k) 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 for the year.

i. Tangible Capital Assets

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 on a straight-line basis over the estimated useful life as follows:

	YEARS
Buildings	20-50
Engineered structures - other	20-75
Engineered structures - water system	45-75
Engineered structures - wastewater system	45-75
Land improvements	20
Machinery and equipment	10-25
Vehicles	10-25

One-half of the annual 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.

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Contributions of Tangible Capital Assets

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

iii. Leases

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

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and Historical Tangible Capital Assets

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

2. CASH AND TERM DEPOSITS

Term deposits are held at Vision Credit Union bearing interest at 2.5% to 4.75% with maturities in 2024.

	<u>2023</u>	<u>2022</u>
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 5)		
Alberta Community Partnership	36,920	52,872
Municipal Sustainability Initiative - capital	87,663	-
Municipal District of Wainwright	<u>107,754</u>	<u>107,754</u>
	<u>232,337</u>	<u>160,626</u>
Included in cash and term deposits are amounts held in trust	1,285	1,285
Included in cash and term deposits are amounts designated by council for future expenses and tangible capital asset acquisitions. (Note 9)	<u>598,754</u>	<u>449,759</u>
Total restricted cash and term deposits	<u>832,376</u>	<u>611,670</u>
Total unrestricted cash and term deposits	<u>207,373</u>	<u>151,979</u>

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2023</u>	<u>2022</u>
Current taxes and grants in place of taxes	81,127	70,916
Arrears taxes	14,648	20,662
Property held by the village as a result of tax forfeiture	19,135	9,045
	<u>114,910</u>	<u>100,623</u>

5. DEFERRED INCOME

Deferred income consists of the following:	<u>2023</u>	<u>2022</u>
Alberta Community Partnership	36,920	52,872
Prepaid property taxes	29,875	11,414
Municipal Sustainability Initiative - Capital	167,396	115,003
Canada Community Building Fund	200,000	150,000
Municipal District of Wainwright	107,754	107,754
	<u>541,945</u>	<u>437,043</u>

6. LONG TERM DEBT

	<u>2023</u>	<u>2022</u>	
Municipal District of Wainwright	20,000	30,000	
Principal and interest payments are as follows:			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	10,000	-	10,000
2025	10,000	-	10,000
	<u>20,000</u>	<u>-</u>	<u>20,000</u>

Debenture debt repayable to the Municipal District of Wainwright without interest and matures in 2025 and is secured by the credit and security of the village at large.

The village's total cash payments for interest on long term debt in 2023 were \$Nil (2022 - \$Nil).

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

7. DEBT LIMITS

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 Edgerton be disclosed as follows:

	<u>2023</u>	<u>2022</u>
Total debt limit	<u>1,855,839</u>	1,681,544
Total debt	<u>20,000</u>	30,000
Surplus debt limit	<u>1,835,839</u>	<u>1,651,544</u>
Debt servicing limit	<u>309,307</u>	280,257
Debt servicing	<u>10,000</u>	10,000
Surplus debt servicing	<u>299,307</u>	<u>270,257</u>

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.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible capital assets (Schedule 2)	<u>10,100,831</u>	9,986,962
Accumulated amortization (Schedule 2)	<u>(4,263,500)</u>	(4,001,007)
Long-term debt (Note 6)	<u>(20,000)</u>	(30,000)
	<u>5,817,331</u>	<u>5,955,955</u>

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

9. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	<u>624,874</u>	<u>626,654</u>
Restricted surplus		
General	14,165	14,165
Fire department	95,054	56,305
Water system	113,869	101,152
Sewer system	190,737	178,020
Cemetery	48,549	46,330
Recreation	136,380	53,787
	<u>598,754</u>	<u>449,759</u>
Equity in tangible capital assets	<u>5,817,331</u>	<u>5,955,955</u>
	<u>7,040,959</u>	<u>7,032,368</u>

10. SEGMENTED DISCLOSURE

The Village of Edgerton 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 1.

Refer to the Schedule of Segmented Disclosure (schedule 6)

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

11. SALARY AND BENEFITS DISCLOSURE

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

	2023			2022
	Salary	Benefits & Allowances	Total	Total
Beattie	4,230	-	4,230	4,740
Hughes	2,750	-	2,750	1,745
Jackson	3,265	-	3,265	3,926
Waddell	3,300	-	3,300	2,910
White	8,475	-	8,475	8,292
CAO	60,000	9,642	69,642	96,300
Designated Officer (1)	8,412	-	8,412	8,164

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.

12. TRUST FUNDS

The Village of Edgerton administers the following trust:

	2023	2022
Murdoch trust fund	<u>7,592</u>	<u>7,592</u>

The trust allows for the revenue generated from the funds to be used for the maintenance and upkeep of the cemetery.

13. CONTINGENCIES

The village is a member of the Genesis Reciprocal Insurance Exchange (GRIE). 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 by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

14. 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.

15. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes receivable 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 fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the fair value of these financial instruments approximates their fair value.

16. COMPARITIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.