

VILLAGE OF WARBURG
Consolidated Financial Statements
Year Ended December 31, 2023



Donnelly & Co. LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Village of Warburg

Opinion

We have audited the consolidated financial statements of Village of Warburg (the Village), which comprise the consolidated statements of financial position as at December 31, 2023, consolidated statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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 Consolidated Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated 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.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Edmonton, Alberta
April 8, 2024


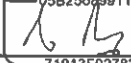

Chartered Professional Accountants

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

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 3)</i>	\$ 576,482	\$ 800,532
Investments <i>(Note 3)</i>	3,138,726	2,400,251
Taxes and grants in lieu of taxes receivables <i>(Note 4)</i>	185,502	200,197
Trade and other receivables	224,162	188,457
	<u>4,124,872</u>	<u>3,589,437</u>
LIABILITIES		
Accounts payable and accrued liabilities	70,394	144,090
Unearned revenue <i>(Note 5)</i>	271,216	155,078
Asset retirement obligation <i>(Note 6)</i>	393,000	393,000
	<u>734,610</u>	<u>692,168</u>
NET FINANCIAL ASSETS	<u>3,390,262</u>	<u>2,897,269</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	<u>9,312,081</u>	<u>9,594,885</u>
ACCUMULATED SURPLUS <i>(Note 9)</i>	<u>\$ 12,702,343</u>	<u>\$ 12,492,154</u>

Commitments and contingencies - see Notes 12 and 13.

On behalf of the Members of Council


 _____ Mayor

 _____ Deputy Mayor

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

	Budget 2023 <i>(Unaudited)</i>	2023	2022
REVENUE			
Net taxes available for municipal purposes <i>(Schedule 3)</i>	\$ 759,573	\$ 744,531	\$ 718,815
Sales and user fees	292,900	318,358	298,773
Penalties and costs on taxes	100,000	46,408	46,538
Licenses and permits	9,700	10,739	11,214
Fines	5,000	13,029	8,714
Franchise and concession contracts	78,000	81,053	80,288
Investment income	100,000	182,610	91,052
Rentals	36,750	34,936	39,847
Government transfers for operating <i>(Schedule 4)</i>	485,916	451,815	358,588
Other revenue	11,650	11,100	4,572
	<u>1,879,489</u>	<u>1,894,579</u>	<u>1,658,401</u>
EXPENSES			
General government			
Legislative	59,500	38,693	38,503
Administrative	459,650	343,529	357,921
Protective services			
Fire and disaster	75,800	86,109	64,885
Police	95,500	86,501	73,452
Transportation			
Roads, streets, walks, lighting	212,500	150,823	174,377
Environmental use and protection			
Water and wastewater	175,100	127,418	102,997
Waste management	46,000	42,261	43,187
Public health and welfare			
Family and community support services	68,000	50,147	43,828
Planning and development	29,500	12,597	29,782
Recreation and culture			
Recreation and parks	584,383	201,644	241,785
Culture	72,025	81,548	33,515
Amortization	-	513,120	495,137
	<u>1,877,958</u>	<u>1,734,390</u>	<u>1,699,369</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE OTHER	1,531	160,189	(40,968)
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	160,814	50,000	715,396
EXCESS OF REVENUE OVER EXPENSES	162,345	210,189	674,428
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>12,492,154</u>	<u>12,492,154</u>	<u>11,817,726</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 12,654,499</u>	<u>\$ 12,702,343</u>	<u>\$ 12,492,154</u>

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

	Budget 2023 <i>(Unaudited)</i>	2023	2022
Excess of revenue over expenses	\$ 162,345	\$ 210,189	\$ 674,428
Acquisition of tangible capital assets	-	(230,316)	(935,989)
Amortization of tangible capital assets	-	513,120	495,137
	-	282,804	(440,852)
	\$ 162,345	\$ 492,993	\$ 233,576

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

	2023	2022
Operating activities		
Cash receipts from taxes	\$ 967,028	\$ 929,046
Cash receipts from government	567,953	1,045,751
Cash receipts from others	483,510	298,607
Cash paid to suppliers and employees	(1,294,966)	(1,105,872)
Cash paid for requisitions	(161,394)	(165,382)
Investment income received	182,610	91,052
	<u>744,741</u>	<u>1,093,202</u>
Investing activity		
Increase in investments, net	<u>(738,475)</u>	<u>(462,873)</u>
Capital activity		
Acquisition of tangible capital assets	<u>(230,316)</u>	<u>(935,989)</u>
Decrease in cash and cash equivalents	<u>(224,050)</u>	<u>(305,660)</u>
Cash and cash equivalents - beginning of year	<u>800,532</u>	<u>1,106,192</u>
Cash and cash equivalents - end of year (Note 3)	<u>\$ 576,482</u>	<u>\$ 800,532</u>

VILLAGE OF WARBURG

Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2023

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2022
BALANCE, BEGINNING OF YEAR	\$ 3,222,920	\$ 67,349	\$ 9,201,885	\$ 12,492,154	\$ 11,817,726
Excess (deficiency) revenue over expenses	210,189	-	-	210,189	674,428
Funds designated for future use	63,472	(63,472)	-	-	-
Unrestricted funds used for tangible capital assets	(230,316)	-	230,316	-	-
Annual amortization expense	513,120	-	(513,120)	-	-
Change in accumulated surplus	556,465	(63,472)	(282,804)	210,189	674,428
BALANCE, END OF YEAR	\$ 3,779,385	\$ 3,877	\$ 8,919,081	\$ 12,702,343	\$ 12,492,154

VILLAGE OF WARBURG
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2023

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicle		
							2023	2022
COST								
BALANCE, BEGINNING OF YEAR	\$ 106,260	\$ 1,604,329	\$ 4,396,717	\$ 10,863,371	\$ 610,836	\$ 89,383	\$ 17,670,896	\$ 16,743,802
Acquisition of tangible capital assets	-	90,630	-	4,128	45,368	90,190	230,316	935,989
Disposal of tangible capital assets	-	-	-	-	-	-	-	(8,895)
BALANCE, END OF YEAR	106,260	1,694,959	4,396,717	10,867,499	656,204	179,573	17,901,212	17,670,896
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	695,366	819,000	5,957,655	522,752	81,238	8,076,011	7,589,769
Annual amortization	-	84,554	78,138	316,130	22,565	11,733	513,120	495,137
Accumulated amortization on disposals	-	-	-	-	-	-	-	(8,895)
BALANCE, END OF YEAR	-	779,920	897,138	6,273,785	545,317	92,971	8,589,131	8,076,011
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 106,260	\$ 915,039	\$ 3,499,579	\$ 4,593,714	\$ 110,887	\$ 86,602	\$ 9,312,081	\$ 9,594,885
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 106,260	\$ 908,963	\$ 3,577,717	\$ 4,905,716	\$ 88,084	\$ 8,145	\$ 9,594,885	

VILLAGE OF WARBURG
Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2023

(Schedule 3)

	Budget 2023 <i>(Unaudited)</i>	2023	2022
TAXATION	\$ 920,984	\$ 905,925	\$ 884,197
REQUISITIONS			
Alberta School Foundation Fund	158,411	158,411	163,872
Leduc Senior Lodge	3,000	2,983	1,510
	<u>161,411</u>	<u>161,394</u>	<u>165,382</u>
NET MUNICIPAL TAXES	<u>\$ 759,573</u>	<u>\$ 744,531</u>	<u>\$ 718,815</u>

VILLAGE OF WARBURG
Consolidated Schedule of Government Transfers
Year Ended December 31, 2023

(Schedule 4)

	Budget 2023 <i>(Unaudited)</i>	2023	2022
TRANSFERS FOR OPERATING			
Provincial Government	\$ 185,164	\$ 185,164	\$ 118,004
Other Local Government	300,752	266,651	240,584
	<u>485,916</u>	<u>451,815</u>	<u>358,588</u>
TRANSFERS FOR CAPITAL			
Provincial Government	160,814	50,000	715,396
TOTAL GOVERNMENT TRANSFERS	<u>\$ 646,730</u>	<u>\$ 501,815</u>	<u>\$ 1,073,984</u>

VILLAGE OF WARBURG
Consolidated Schedule of Consolidated Expenses by Object
Year Ended December 31, 2023

(Schedule 5)

	Budget 2023 <i>(Unaudited)</i>	2023	2022
Amortization	\$ -	\$ 513,120	\$ 495,137
Salaries, wages and benefits	539,500	462,613	439,241
Materials, goods and utilities	447,650	342,000	333,486
Contracted and general services	293,400	237,260	255,629
Transfers to local boards and agencies	513,408	159,740	163,236
Transfers to other governments	10,000	19,657	12,642
Drawn from tax allowance	70,000	-	-
	\$ 1,873,958	\$ 1,734,390	\$ 1,699,371

VILLAGE OF WARBURG
Consolidated Schedule of Segmented Disclosure
Year Ended December 31, 2023

(Schedule 6)

	General Government	Protective Services	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	2023 Total
REVENUE								
Net municipal taxes	\$ 744,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 744,531
Government transfers	235,164	90,166	-	-	25,141	2,045	149,299	501,815
Sales and user fees	3,913	-	-	266,934	32,960	800	13,751	318,358
Investment income	182,610	-	-	-	-	-	-	182,610
Other revenues	173,641	-	-	-	-	550	23,074	197,265
	<u>1,339,859</u>	<u>90,166</u>	<u>-</u>	<u>266,934</u>	<u>58,101</u>	<u>3,395</u>	<u>186,124</u>	<u>1,944,579</u>
EXPENSES								
Contract and general services	34,174	33,925	14,784	100,584	1,429	12,597	39,767	237,260
Salaries and wages	259,128	110,940	21,377	19,511	20,662	-	30,995	462,613
Goods and supplies	88,920	8,088	114,662	49,584	28,057	-	52,689	342,000
Transfers to other governments	-	19,657	-	-	-	-	-	19,657
Transfers to local boards and organizations	-	-	-	-	-	-	159,740	159,740
Provision for allowances	-	-	-	-	-	-	-	-
	<u>382,222</u>	<u>172,610</u>	<u>150,823</u>	<u>169,679</u>	<u>50,148</u>	<u>12,597</u>	<u>283,191</u>	<u>1,221,270</u>
NET REVENUE, BEFORE AMORTIZATION	<u>957,637</u>	<u>(82,444)</u>	<u>(150,823)</u>	<u>97,255</u>	<u>7,953</u>	<u>(9,202)</u>	<u>(97,067)</u>	<u>723,309</u>
Amortization expense	10,628	11,330	328,353	49,747	-	-	113,062	513,120
NET REVENUE	<u>\$ 947,009</u>	<u>\$ (93,774)</u>	<u>\$ (479,176)</u>	<u>\$ 47,508</u>	<u>\$ 7,953</u>	<u>\$ (9,202)</u>	<u>\$ (210,129)</u>	<u>\$ 210,189</u>

Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. Summary of significant accounting policies

The consolidated financial statements of the Village of Warburg 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 Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Village are as follows:

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

Village of Warburg Fire Department

Village of Warburg Water and Wastewater System

Village of Warburg Waste Management

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 organization transactions and balances are eliminated.

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 and 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, regulations 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.

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures 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.

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

1. Summary of significant accounting policies (continued)

Valuation of Financial Assets and Liabilities

The Village's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Investments	Amortized cost
Taxes, trade and other receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

Cash and cash equivalents

Cash and cash equivalents are comprised of cash.

Investments

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value 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.

Unearned revenue

Unearned revenue represent government transfers and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenue when revenue recognition criteria have been met.

Revenue recognition

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.

User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

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.

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 revenue over expenses, provides the consolidated change in net financial assets for the year.

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

1. Summary of significant accounting policies (continued)

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:

Land improvements	10 - 30 years
Buildings	50 years
Engineering structures	5 - 75 years
Machinery and equipment	5 - 20 years
Vehicles	10 years

Annual amortization is charged in the year of acquisition and no amortization is recorded in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributions of tangible capital assets

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

Asset Retirement

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Village to incur retirement costs, the past transaction or event giving rise to the liability has occurred., it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year end.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. At each financial reporting date, the Village reviews the carrying amount of the liability. Changes to the liability arising from revisions to either the timing, the amount of the original estimate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Village continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

2. Financial instruments

The Village's financial instruments consist of cash and cash equivalents, investments, accounts receivables, accounts payable and accrued liabilities, and long term debt. It is management's opinion that the Village is not exposed to significant interest and currency risks arising from these financial instruments.

The Village is subject to credit risk with respect to taxes 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.

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

3. Cash and cash equivalents and investments

	2023	2022
Cash in bank	\$ 576,482	\$ 800,532
Short term investment certificates, maturing within 31 days to 90 days, interest ranging from 4.7% to 4.8% per annum (2021 - interest ranging from 0.6% to 0.8% per annum)	3,138,726	2,400,251
	3,715,208	3,200,783
Externally restricted	(275,093)	(222,427)
Internally restricted	(2,064,306)	(1,836,007)
Unrestricted	\$ 1,375,809	\$ 1,142,349

Amounts externally restricted - cost sharing projects:

39/20 Alliance - alliance formed with the Town of Calmar, Villages of Thorsby and Breton to promote municipal cooperation in delivery of services to residents	\$ 73,155	\$ 75,200
RCMP Officer - funds received in advance from neighbouring communities to fund the position of a RCMP officer	87,247	79,878
	160,402	155,078
MSI Capital - to support local infrastructure priorities and build strong, safe and resilient communities	110,814	-
	271,216	155,078

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

3. Cash and cash equivalents and investments (continued)

Amounts externally restricted - other:

Tax recovery - to be held for a minimum of 10 years or until funds are paid out to the previous owner	<u>3,877</u>	67,349
	<u>3,877</u>	<u>67,349</u>

All externally restricted funds and any interest earned thereon are to be held in trust until applied to eligible expenditures.

Amounts internally restricted:

Designated by Council for capital projects and equipment replacement	\$ 2,024,549	\$ 1,799,776
Accumulated surplus for the purpose of helping needy families in the community	<u>39,757</u>	<u>36,231</u>
	<u>\$ 2,064,306</u>	<u>\$ 1,836,007</u>

4. Taxes and grants in lieu of taxes receivable

	<u>2023</u>	<u>2022</u>
Current taxes and grants in lieu	\$ 86,926	\$ 134,745
Tax arrears	<u>98,576</u>	<u>65,452</u>
	<u>\$ 185,502</u>	<u>\$ 200,197</u>

5. Unearned revenue

	<u>2023</u>	<u>2022</u>
RCMP Officer	\$ 87,247	\$ 79,878
39/20 Alliance	73,155	75,200
Alberta Government - Municipal Sustainability Initiative	<u>110,814</u>	<u>-</u>
	<u>\$ 271,216</u>	<u>\$ 155,078</u>

Unearned revenue is supported by cash and cash equivalents and investments (see Note 3).

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

6. Asset retirement obligation

The Village owns several buildings which contains asbestos. Therefore, the Village is legally required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability of \$393,000 is based on the undiscounted future cash flows for abatement activities. The Village has not designated assets for settling the abatement activities.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 393,000	\$ 393,000
Liabilities incurred	-	-
Liabilities settled	-	-
Revisions in estimate	-	-
	<u>\$ 393,000</u>	<u>\$ 393,000</u>

7. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Village be disclosed as follows:

	<u>2023</u>	<u>2022</u>
Total debt limit	\$ 2,841,869	\$ 2,487,602
Debt servicing limit	\$ 473,645	\$ 414,600

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

8. Equity in tangible capital assets

	<u>2023</u>	<u>2022</u>
Tangible capital assets (<i>Schedule 2</i>)	\$ 17,901,212	\$ 17,670,896
Accumulated amortization (<i>Schedule 2</i>)	(8,589,131)	(8,076,011)
Asset retirement obligation (<i>Note 6</i>)	(393,000)	(393,000)
	<u>\$ 8,919,081</u>	<u>\$ 9,201,885</u>

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

9. Accumulated surplus

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

	2023	2022
Unrestricted surplus	\$ 3,779,385	\$ 3,222,920
Restricted surplus		
Tax recovery	3,877	67,349
Equity in tangible capital assets	8,919,081	9,201,885
	\$ 12,702,343	\$ 12,492,154

10. Salaries and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	Salary (1)	Benefits and allowances (2)	2023	2022
Mayor	\$ 8,560	\$ 1,700	\$ 10,260	\$ 13,755
Councillors				
R. Hart	7,500	420	7,920	8,246
C. Henderson	5,060	775	5,835	3,821
I. Laing	2,700	-	2,700	2,850
S. Swartz	2,925	-	2,925	2,913
Chief Administrative Officer	94,397	20,725	115,122	106,526
	\$ 121,142	\$ 23,620	\$ 144,762	\$ 138,111

1. Salary includes regular base pay, lump sum payments and gross honoraria.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees and expense allowances for vehicle.

VILLAGE OF WARBURG
Notes to Consolidated Financial Statements
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11. Local Authorities Pension Plan

Employees of the Village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current services are recorded as expenditures in the year in which they become due.

The Village is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the Village to the LAPP were \$17,825 (2022 – \$20,756). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan were \$15,818 (2022 - \$18,422).

At December 31, 2022, the LAPP disclosed a surplus of \$12.67 billion.

12. Contingent liability

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Village of Warburg 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.

The Village is responsible for the clean up of the contaminated soil on the Village's shop site. Remediation work has been completed since 2014. The Village continues to monitor groundwater contamination.

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

13. Commitments

The Village has entered into the following agreements:

- (a) Cost sharing agreement for fire and rescue services with Leduc County – the Village pays 25% and the County pays 75% of the total annual operating costs. Capital equipment purchased by either the Village or the County shall remain the property of the purchaser. All capital acquisitions are agreed jointly between the parties.
 - (b) Cost sharing agreement for recreation cost sharing with Leduc County – the Village pays 26% and the County pays 74% of the total annual operating costs.
 - (c) Multi-Municipal Family and Community Support Services ("FCSS") with Leduc County and two other municipalities commencing May 31, 2017 to provide services in a borderless model where residents of the Village can access FCSS services from Leduc County and other municipalities and vice versa.
 - (d) Waste disposal service – sixty month contract commencing from October 1, 2020 to September 30, 2025 priced as follows:
 - Waste collection at a rate of \$9.89 per unit per month for weekly collection.
 - Recycling collection at a rate of \$3.03 per unit per month for a bi-weekly collection.
 - (e) Office equipment lease for 60 months with quarterly payments of \$850.51 plus Goods and Services Tax.
 - (f) Computer and server management agreement for five years commencing November 1, 2019 with monthly payment of \$762 plus Goods and Services Tax.
 - (g) Electrical energy agreement for five years commencing January 1, 2024 with fixed base load of \$69.50 per MWh.
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14. Segmented disclosure

The Village provides a range of services to its ratepayers. For each reported segment, revenue 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 disclosed in Note 1. Schedule of Segmented Disclosure are included as Schedule 6 as part of the financial statements.

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police and fire. Transportation included roads, streets, walks and lighting. Planning and development includes land use planning, zoning and subdivision land and development. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls.

15. Approval of financial statements

Council and management have approved these financial statements.
