

VILLAGE OF ALIX
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Alix is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the 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 financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The 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 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 financial statements.

The village council carries out its responsibilities for review of the financial statements principally through council meetings. They meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to village council with and without the presence of management. The village council has approved the financial statements.

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the village. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the village's financial statements.



Chief Administrative Officer



Date



*Peggy Weinzierl, CPA, CA *Scott St. Arnaud, CPA, CA *Jolene P. Kobi, CPA, CA *Justin J. Tanner, CPA, CA

INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council
Village of Alix

Opinion

We have audited the financial statements of the Village of Alix, which comprise the statement of financial position as at December 31, 2023 and the statements of operations, changes in net debt and cash flows for the year then ended, and notes and schedules 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 village as at December 31, 2023, the results of its operations, change in its net financial assets (debt) and 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 *Auditors' Responsibilities for the Audit of the Municipal 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 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 ability of the village 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 village's financial reporting process.

Auditors' 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 auditors' 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:

- 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 controls.
- 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 purposes 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 auditors' 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 the auditors' 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.

Stettler, Alberta
April 17, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF ALIX
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	Restated (Note 3) 2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 2,709,793	\$ 2,277,829
Taxes receivable (Note 5)	148,100	189,692
Trade and other receivables (Note 6)	<u>583,161</u>	<u>926,426</u>
	<u>3,441,054</u>	<u>3,393,947</u>
 LIABILITIES		
Accounts payable and accrued liabilities	564,272	145,682
Tax sale surplus (Note 7)	11,233	11,018
Deferred revenue (Note 8)	640,930	1,304,957
Accrued vacation pay	27,717	27,467
Long-term debt (Note 9)	2,429,675	2,578,405
Asset retirement obligation (Note 10)	<u>84,344</u>	<u>81,396</u>
	<u>3,758,171</u>	<u>4,148,925</u>
 NET DEBT	 <u>(317,117)</u>	 <u>(754,978)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	14,402,972	11,419,270
Prepaid expenses	750	3,005
Inventory for consumption	21,938	36,968
Land held for resale	<u>40,000</u>	<u>40,000</u>
	<u>14,465,660</u>	<u>11,499,243</u>
 ACCUMULATED SURPLUS (Schedule 1, Note 11)	 \$ <u>14,148,543</u>	 \$ <u>10,744,265</u>
Contingencies Note 19		

APPROVED ON BEHALF OF THE VILLAGE COUNCIL:

_____ Mayor

VILLAGE OF ALIX

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	Restated (Note 3) 2022
REVENUES			
Net municipal property taxes (Schedule 3)	\$ 1,523,592	\$ 1,519,279	\$ 1,455,290
Government transfers for operating (Schedule 4)	66,584	69,094	58,209
Sales of goods and user fees	782,500	931,138	789,437
Investment income	70,000	121,694	45,659
Rentals	16,500	17,492	34,037
Franchise and concession contracts	114,500	127,974	130,994
Penalties and costs of taxes	48,200	47,426	46,398
Other	12,400	14,494	18,533
Gain on disposal of tangible capital assets	-	-	21,766
Total Revenue	<u>2,634,276</u>	<u>2,848,591</u>	<u>2,600,323</u>
EXPENSES (Schedule 5)			
Legislative	48,400	47,360	38,953
Administration	432,130	440,561	439,881
Fire, ambulance and bylaws enforcement	187,185	210,786	201,862
Roads, streets, walk, lighting	478,579	698,252	675,504
Water and wastewater	511,481	712,974	746,189
Waste management	148,370	148,561	137,826
Family and community support and cemetery	45,220	44,418	41,198
Subdivision land and development	91,658	88,495	94,529
Recreation and parks	326,978	228,315	263,263
Total Expenses	<u>2,270,001</u>	<u>2,619,722</u>	<u>2,639,205</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE OTHER	<u>364,275</u>	<u>228,869</u>	<u>(38,882)</u>
OTHER			
Government transfers for capital (Schedule 4)	<u>3,790,964</u>	<u>3,175,409</u>	<u>449,779</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 4,155,239</u>	<u>3,404,278</u>	<u>410,897</u>
ACCUMULATED SURPLUS – BEGINNING OF YEAR			
As previously reported		10,820,378	10,405,378
Prior period restatement (Note 3)		<u>(76,113)</u>	<u>(72,010)</u>
As restated		<u>10,744,265</u>	<u>10,333,368</u>
ACCUMULATED SURPLUS – END OF YEAR		\$ <u>14,148,543</u>	\$ <u>10,744,265</u>

VILLAGE OF ALIX

STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	Restated (Note 3) 2022
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ <u>4,155,239</u>	\$ <u>3,404,278</u>	\$ <u>410,897</u>
Acquisition of tangible capital assets	(4,783,787)	(3,515,087)	(542,514)
Amortization of tangible capital assets	-	442,454	438,814
(Gain) loss on disposal of tangible capital assets	-	76,145	(21,766)
Proceeds on disposal of tangible capital assets	-	12,786	37,799
	<u>(4,783,787)</u>	<u>(2,983,702)</u>	<u>(87,667)</u>
Change in inventory for consumption	-	2,255	1,717
Change in prepaid expenses	-	15,030	(2,827)
	-	<u>17,285</u>	<u>(1,110)</u>
(INCREASE) DECREASE IN NET DEBT	\$ <u>(628,548)</u>	437,861	322,120
NET DEBT - BEGINNING OF YEAR (As Restated (Note 3))		<u>(754,978)</u>	<u>(1,077,098)</u>
NET DEBT - END OF YEAR		\$ <u>(317,177)</u>	\$ <u>(754,978)</u>

VILLAGE OF ALIX

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	Restated (Note 3) 2022
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ 3,404,278	\$ 410,897
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	442,454	438,814
Gain/Loss on disposal of tangible capital assets	76,145	(21,766)
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivables	61,869	(47,914)
Trade and other receivables	322,988	133,420
Prepaid expenses	2,255	(2,827)
Inventory for consumption	15,030	1,717
Accounts payable and accrued liabilities	100,097	(10,228)
Other deferred revenue	-	(6,280)
Tax sale surplus	215	-
Deferred revenue	(664,027)	(190,582)
Accrued vacation pay	250	(20,396)
Net cash provided by (used in) operating activities	<u>3,761,554</u>	<u>684,855</u>
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	12,786	37,799
Acquisition of tangible capital assets	<u>(3,196,594)</u>	<u>(542,514)</u>
Net cash provided by (used in) capital activities	<u>(3,183,808)</u>	<u>(504,715)</u>
INVESTING ACTIVITIES		
Decrease (increase) in restricted cash and short-term investments	<u>320,409</u>	<u>(51,863)</u>
Net cash provided by (used in) investing activities	<u>320,409</u>	<u>(51,863)</u>
FINANCING ACTIVITIES		
Asset retirement obligation	2,948	3,843
Repayment of long - term debt	<u>(148,730)</u>	<u>(143,520)</u>
Net cash provided by (used in) financing activities	<u>(145,782)</u>	<u>(139,677)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	752,373	(11,400)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,695,033</u>	<u>1,706,433</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>2,447,406</u>	<u>1,695,033</u>
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash (Note 4)	2,709,793	2,277,829
Less: Restricted portion of cash (Note 4)	<u>(262,387)</u>	<u>(582,796)</u>
	\$ <u>2,447,406</u>	\$ <u>1,695,033</u>

VILLAGE OF ALIX

SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	Restated (Note 3) 2022
BALANCE - BEGINNING OF YEAR					
As previously reported	\$ 714,552	\$ 1,270,244	\$ 8,835,582	\$ 10,820,378	\$ 10,405,378
Prior period restatement (Note 3)	-	-	(76,113)	(76,113)	(72,010)
As restated	<u>714,552</u>	<u>1,270,244</u>	<u>8,759,469</u>	<u>10,744,265</u>	<u>10,333,368</u>
Excess (deficiency) of revenues over expenses	3,404,278	-	-	3,404,278	410,897
Restricted funds used for tangible capital assets	-	(346,882)	346,882	-	-
Restricted funds used for operations	2,000	(2,000)	-	-	-
Funds designated for future use	(882,045)	882,045	-	-	-
Current year funds used for tangible capital assets	(3,168,205)	-	3,168,205	-	-
Debtenture principal payments	(148,730)	-	148,730	-	-
Disposal of tangible capital assets	87,844	-	(87,844)	-	-
Annual amortization expense	442,454	-	(442,454)	-	-
Annual accretion expense	4,035	-	(4,035)	-	-
Change in accumulated surplus	<u>(258,369)</u>	<u>533,163</u>	<u>3,129,484</u>	<u>3,404,278</u>	<u>410,897</u>
BALANCE - END OF YEAR	\$ 456,183	\$ 1,803,407	\$ 11,888,953	\$ 14,148,543	\$ 10,744,265

VILLAGE OF ALIX

SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	Restated (Note 3) 2022
COST:								
BALANCE - BEGINNING OF YEAR								
As previously reported	\$ 412,806	\$ 452,777	\$ 2,569,730	\$ 13,453,306	\$ 1,042,703	\$ 394,369	\$ 18,325,691	\$ 17,926,263
Prior period restatement (Note 3)	-	-	14,319	-	-	-	14,319	14,319
As restated	412,806	452,777	2,584,049	13,453,306	1,042,703	394,369	18,340,010	17,940,582
Acquisition of tangible capital assets	-	4,040	-	3,500,535	10,512	-	3,515,087	542,514
Disposal of tangible capital assets	-	-	(1,086)	(98,228)	(102,299)	(26,459)	(228,072)	(143,086)
BALANCE - END OF YEAR	412,806	456,817	2,582,963	16,855,613	950,916	367,910	21,627,025	18,340,010
ACCUMULATED AMORTIZATION:								
BALANCE - BEGINNING OF YEAR								
As previously reported	-	283,882	615,913	5,107,350	663,900	240,659	6,911,704	6,600,203
Prior period restatement (Note 3)	-	-	9,036	-	-	-	9,036	8,776
As restated	-	283,882	624,949	5,107,350	663,900	240,659	6,920,740	6,608,979
Annual amortization	-	18,059	50,613	309,232	46,772	17,778	442,454	438,814
Accumulated amortization on disposals	-	-	-	(11,486)	(102,299)	(25,356)	(139,141)	(127,053)
BALANCE - END OF YEAR	-	301,941	675,562	5,405,096	608,373	233,081	7,224,053	6,920,740
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 412,806	\$ 154,876	\$ 1,907,401	\$ 11,450,517	\$ 342,543	\$ 134,829	\$ 14,402,972	\$ 11,419,270
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 412,806	\$ 168,895	\$ 1,959,100	\$ 8,345,956	\$ 378,803	\$ 153,710	\$ 11,419,270	

VILLAGE OF ALIX

SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
TAXATION			
Real property taxes	\$ 1,714,217	\$ 1,709,893	\$ 1,644,808
Linear property taxes	24,594	24,707	23,767
Government grants in lieu of property taxes	<u>1,779</u>	<u>1,779</u>	<u>1,777</u>
	<u>1,740,590</u>	<u>1,736,379</u>	<u>1,670,352</u>
REQUISITIONS			
Alberta School Foundation Fund	209,405	209,505	209,003
Lacombe Foundation	<u>7,593</u>	<u>7,595</u>	<u>6,059</u>
	<u>216,998</u>	<u>217,100</u>	<u>215,062</u>
NET MUNICIPAL TAXES	\$ <u>1,523,592</u>	\$ <u>1,519,279</u>	\$ <u>1,455,290</u>

VILLAGE OF ALIX

SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
TRANSFERS FOR OPERATING			
Provincial government	\$ 60,166	\$ 60,942	\$ 41,910
Local government	<u>6,418</u>	<u>8,152</u>	<u>16,299</u>
	<u>66,584</u>	<u>69,094</u>	<u>58,209</u>
TRANSFERS FOR CAPITAL			
Federal government	345,240	214,498	192,693
Provincial government	<u>3,445,724</u>	<u>2,960,911</u>	<u>257,086</u>
	<u>3,790,964</u>	<u>3,175,409</u>	<u>449,779</u>
TOTAL GOVERNMENT TRANSFERS	\$ <u>3,857,548</u>	\$ <u>3,244,503</u>	\$ <u>507,988</u>

SCHEDULE 5 –EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	Restated (Note 3) 2022
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 761,600	\$ 723,250	\$ 699,475
Contracted and general services	685,845	668,941	769,436
Materials, goods, supplies and utilities	641,370	518,318	519,986
Transfers to individuals, organizations and boards	93,458	96,632	112,655
Bank charges and interest	200	60	37
Interest on long-term debt	87,528	86,676	91,916
Amortization of tangible capital assets (Note 20)	-	442,454	438,814
Accretion expense	-	4,035	3,843
Loss on disposal of tangible capital assets	-	76,145	-
Other expenditures	<u>-</u>	<u>3,211</u>	<u>3,043</u>
	\$ <u>2,270,001</u>	\$ <u>2,619,722</u>	\$ <u>2,639,205</u>

VILLAGE OF ALIX

SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protective Services	Transportation Services	Environmental use & Protection	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal taxes	\$ 1,519,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,519,279
Government transfers	-	-	99,541	3,073,020	31,156	-	40,786	3,244,503
Sales of goods and user fees	138,649	24,336	9,768	737,500	2,275	1,400	17,210	931,138
Penalties and costs on taxes	47,426	-	-	-	-	-	-	47,426
Franchise and concession contracts	127,974	-	-	-	-	-	-	127,974
Investment income	121,694	-	-	-	-	-	-	121,694
Rentals	-	-	-	-	-	17,492	-	17,492
Other revenues	2,985	9,609	-	-	-	1,900	-	14,494
	<u>1,958,007</u>	<u>33,945</u>	<u>109,309</u>	<u>3,810,520</u>	<u>33,431</u>	<u>20,792</u>	<u>57,996</u>	<u>6,024,000</u>
EXPENSES								
Contracted and general services	135,717	153,290	123,775	164,147	12,733	21,980	57,299	668,941
Salaries, wages and benefits	323,384	-	189,858	122,712	-	-	87,296	723,250
Materials, goods, supplies and utilities	21,973	30,400	106,543	316,281	1,598	28,243	13,280	518,318
Transfers - individuals, organizations, boards	-	13,950	-	-	29,826	-	52,856	96,632
Interest on long - term debt	-	-	17,017	31,388	-	38,271	-	86,676
Loss on disposal of tangible capital assets	-	-	-	76,145	-	-	-	76,145
Other expenditures	3,271	-	-	-	-	-	-	3,271
	<u>484,345</u>	<u>197,640</u>	<u>437,193</u>	<u>710,673</u>	<u>44,157</u>	<u>88,494</u>	<u>210,731</u>	<u>2,173,233</u>
NET REVENUE – BEFORE AMORTIZATION AND ACCRETION	<u>1,473,662</u>	<u>(163,695)</u>	<u>(327,884)</u>	<u>3,099,847</u>	<u>(10,726)</u>	<u>(67,702)</u>	<u>(152,735)</u>	<u>3,850,767</u>
Amortization of tangible capital assets	2,806	13,146	271,536	140,149	259	-	14,558	442,454
Accretion of asset retirement obligations	769	-	119	118	-	-	3,029	4,035
	<u>1,477,237</u>	<u>14,292</u>	<u>271,655</u>	<u>140,267</u>	<u>259</u>	<u>-</u>	<u>17,587</u>	<u>446,488</u>
NET REVENUE	<u>1,470,087</u>	<u>(176,841)</u>	<u>(599,539)</u>	<u>2,959,580</u>	<u>(10,985)</u>	<u>(67,702)</u>	<u>(170,322)</u>	<u>3,404,278</u>
2022 NET REVENUE (Restated, Note 3)	<u>\$ 1,207,874</u>	<u>\$ (147,652)</u>	<u>\$ (298,255)</u>	<u>\$ (161,461)</u>	<u>\$ (8,017)</u>	<u>\$ (57,644)</u>	<u>\$ (123,948)</u>	<u>\$ 410,897</u>

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management prepared in accordance with generally accepted accounting principles for local government established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted as follows:

(a) 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 which comprises all the organizations that are owned or controlled by the village and are, therefore, accountable to the council for the administration of their financial affairs and resources.

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 basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due with the exception of pension expenditures as disclosed in Note 1(h).

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.

(c) 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 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.

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Use of Estimates - Continued

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

(d) 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.

(e) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. 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.

(f) 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.

(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.

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

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Government Transfers - Continued

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

(h) Pension Expenditure

The village participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

(i) Taxes and Grants in Place of Taxes Receivables

Current and arrears taxes and grants in place of taxes receivables consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

(j) Investments

Investments are recorded at cost. 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.

(k) Land for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling 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.

(l) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term, highly liquid investments.

(m) Allowances for Operating Assets

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.

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

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(n) Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual 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.

(o) Asset retirement obligation

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized at an 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 estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. These may include, but are not limited to, decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed; remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and constructing other tangible capital assets to perform post-retirement activities.

The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the village reviews the carrying amount of the liability. The village recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate 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.

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(p) 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 Change in Net Financial Assets (Debt) 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, improvement, betterment or retirement 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
Land improvements	15-30
Buildings	50
Engineered structures	10-75
Machinery and equipment	5-20
Vehicles	10-25

One half of the amortization is calculated in the year of acquisition and no amortization upon disposal. Assets under construction are not amortized until the asset is available for productive use. At December 31, 2023 \$3,575,687 (2022 - \$83,752) of engineered structures are under construction.

(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) Inventories

Inventories held for consumption are recorded at the lower of cost and net realizable value.

(q) Financial Instruments

A financial instrument is a contract that creates a financial asset of one party and a financial liability or equity instrument of another party.

The village initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

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

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(q) Financial Instruments - continued

The village subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for cash which is measured at fair value. Changes in the fair value of these investments are recognized in income in the period incurred.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial instruments measured at amortized cost include taxes receivable, trade and other receivables, accounts payable, tax sale surplus, accrued vacation pay and long term debt. The carrying values of receivables and accounts payable approximate their fair values due to their short maturities or capacity for prompt liquidation.

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

(a) Section PS 3160 – Public Private Partnerships

This section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. Effective for the fiscal years beginning on or after April 1, 2023.

(b) Section PS 3400 – Revenue

This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Effective for the fiscal years beginning on or after April 1, 2023.

(c) Section PSG – 8 – Purchased Intangibles

This section establishes standards on how to recognize and record purchased intangibles that meet the definition of an asset. Effective for the fiscal years beginning on or after April 1, 2023.

(d) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework, a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgment is applied. Effective for the fiscal years beginning on or after April 1, 2026.

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED - Continued

(e) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

3. ACCOUNTING CHANGES – ASSET RETIREMENT OBLIGATIONS

The village adopted the recommendations in the CPA Canada Handbook, Section PS 3280, *Asset Retirement Obligations*, on how to account for a liability for the retirement of a tangible capital asset for fiscal years beginning on or after April 1, 2022, applied on a modified retroactive basis with restatement of prior year comparative information. The village chose to apply the amendments at the beginning of the earliest period presented, January 1, 2022.

Adoption of this new standard led to adjustments to the comparative figures:

	As Restated	As Previously Reported	Adjustment
STATEMENT OF FINANCIAL POSITION			
LIABILITIES			
Asset retirement obligation	\$ 81,396	\$ -	\$ 81,396
Total liabilities	4,148,925	4,067,529	81,396
NET DEBT	(754,978)	(673,582)	(81,396)
NON-FINANCIAL ASSETS			
Tangible capital assets (Schedule 2)	11,419,270	11,413,987	5,283
Total non-financial assets	11,499,243	11,493,960	5,283
ACCUMULATED SURPLUS (Schedule 1, Note 11)	10,744,265	10,820,378	(76,113)

STATEMENT OF OPERATIONS

EXPENSES			
Amortization (Note 20)	438,814	438,554	260
Accretion (Note 10)	3,843	-	3,843
Total Expenses	2,639,205	2,635,102	4,103
EXCESS OF REVENUE OVER EXPENSES	410,897	415,000	(4,103)
ACCUMULATED SURPLUS – END OF YEAR	10,744,265	10,820,378	(76,113)

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

EXCESS OF REVENUE OVER EXPENSES	410,897	415,000	(4,103)
Amortization of tangible capital assets	438,814	438,554	260
DECREASE (INCREASE) IN NET DEBT	322,120	325,963	(3,843)
NET DEBT – END OF YEAR	(754,978)	(673,582)	(81,396)

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. ACCOUNTING CHANGES – ASSET RETIREMENT OBLIGATIONS - Continued

STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES

Excess (shortfall) of revenues over expenses	410,897	415,000	(4,103)
Amortization of tangible capital assets	438,814	438,554	260
Net cash provided by (used in) operating activities	684,855	688,698	(3,843)

FINANCING ACTIVITIES

Asset retirement obligation	3,843	-	3,843
Net cash provided by (used in) financing activities	\$ (139,677)	\$ (143,520)	\$ 3,843

4. CASH AND SHORT TERM INVESTMENTS

	2023	2022
Cash	\$ <u>2,709,793</u>	\$ <u>2,277,829</u>

Council has designated funds of \$1,803,407 (2022 - \$1,270,244) included in the above amounts for restricted surplus.

Included in the above are the restricted amounts of \$251,154 (2022 - \$571,778) of deferred grant funding, \$11,233 (2022 - \$11,018) of tax recovery funds.

5. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2023	2022
Current taxes and grants in place of taxes	\$ 97,911	\$ 126,895
Arrears taxes and grants in place of taxes	<u>50,189</u>	<u>62,797</u>
	\$ <u>148,100</u>	\$ <u>189,692</u>

6. TRADE AND OTHER RECEIVABLES

	2023	2022
AMWWP	\$ 111,363	\$ -
Canada Community Revitalization Fund grant	-	93,750
GST	110,909	14,545
Investing in Canada Infrastructure grant (ICIP)	313,876	340,196
MSI Capital	-	390,140
Other trade accounts receivable	42,705	75,685
Utilities	<u>4,308</u>	<u>12,110</u>
	\$ <u>583,161</u>	\$ <u>926,426</u>

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

7. TRUST FUNDS

A summary of trust fund activities by the village is as follows:

	2023	2022
Tax Sale Surplus		
Balance – end of year	\$ <u>11,233</u>	\$ <u>11,018</u>

8. DEFERRED REVENUE

	2023	2022
AMWWP	\$ 313,660	\$ -
Investing in Canada Infrastructure grant (ICIP)	278,413	453,913
MSI capital grant	48,857	799,961
Canada Community Building Fund grant	-	48,240
Canada Community Revitalization Fund grant	<u>-</u>	<u>2,843</u>
	\$ <u>640,930</u>	\$ <u>1,304,957</u>

9. LONG – TERM DEBT

	2023	2022
Alberta Capital Finance Authority Debentures, interest ranging from 2.72% to 4.89%, maturity dates range from 2030 to 2048	\$ <u>2,429,675</u>	\$ <u>2,578,405</u>

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	\$ 154,137	\$ 82,121	\$ 236,258
2025	159,748	76,510	236,258
2026	165,573	70,685	236,258
2027	171,618	64,640	236,258
2028	177,894	58,364	236,258
Thereafter	<u>1,600,705</u>	<u>419,265</u>	<u>2,019,970</u>
	\$ <u>2,429,675</u>	\$ <u>771,585</u>	\$ <u>3,201,260</u>

Debenture debt is issued on the credit and security of the village at large.

The village's total cash payments for interest in 2023 were \$87,528 (2022 - \$92,737).

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. ASSET RETIREMENT OBLIGATION

The village owns buildings which contain asbestos and, therefore, the village is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost of \$125,742 in the years 2040 - 2053. The estimated total liability of \$84,344 (2022 - \$81,396) is based on the sum of discounted future cash flows for abatement activities using an average discount rate of 4.96% and assuming annual inflation of 3%. The village has not designated assets for settling the abatement activities.

	2023	2022
Balance, beginning of year	\$ 81,396	\$ 77,553
Change in estimated cash flows	(1,087)	-
Accretion expense	4,035	3,843
	<u>\$ 84,344</u>	<u>\$ 81,396</u>

11. ACCUMULATED SURPLUS

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

	2023	Restated (Note 3) 2022
Unrestricted surplus (deficit)	\$ 456,183	\$ 714,552
Equity in tangible capital assets (Note 13)	11,888,953	8,759,469
Restricted surplus (Note 12)	<u>1,803,407</u>	<u>1,270,244</u>
	<u>\$ 14,148,543</u>	<u>\$ 10,744,265</u>

12. RESTRICTED SURPLUS

	2022	Increases	Decreases	2023
Administration	\$ 42,000	\$ 28,000	\$ 2,000	\$ 68,000
Cemetery	20,000	-	-	20,000
Culture	43,779	-	-	43,779
Fire	138,390	15,000	2,317	151,073
Parks and recreation	216,034	99,500	-	315,534
Roads and streets	184,819	-	176,448	8,371
Water	92,185	50,000	-	142,185
Waste water	<u>533,037</u>	<u>689,545</u>	<u>168,117</u>	<u>1,054,465</u>
Total	<u>\$ 1,270,244</u>	<u>\$ 882,045</u>	<u>\$ 348,882</u>	<u>\$ 1,803,407</u>

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	Restated (Note 3) 2022
Tangible capital assets (Schedule 2)	\$ 21,627,025	\$ 18,340,010
Accumulated amortization (Schedule 2)	(7,224,053)	(6,920,740)
Debenture debt (Note 9)	(2,429,675)	(2,578,405)
Asset retirement obligation (Note 10)	<u>(84,344)</u>	<u>(81,396)</u>
	\$ <u>11,888,953</u>	\$ <u>8,759,469</u>

14. SALARY & 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:

	2023			2022
	Salary(1)	Benefits Allowances(2)	Total	Total
Mayor Fehr	\$ 8,275	\$ 284	\$ 8,559	\$ 7,458
Councillor T. Besuijen	6,200	-	6,200	5,909
Councillor J. Besuijen	5,425	119	5,544	4,842
Councillor Gilliat	6,725	197	6,922	6,184
Councillor Cole	4,500	62	4,562	5,089
Designated Officers	48,119	-	48,119	41,581
CAO	\$ 104,429	\$ 17,614	\$ 122,043	\$ 120,081

(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.

15. LOCAL AUTHORITIES PENSION PLAN

Employees of the Village of Alix participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 291,259 people and about 437 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

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

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

15. LOCAL AUTHORITIES PENSION PLAN - Continued

The Village of Alix is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.23% for the excess. Employees of the Village of Alix are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current and past service contributions by the Village of Alix to the Local Authorities Pension Plan in 2023 were \$32,038 (2022 – \$39,860). Total current and past service contributions by the employees of the Village of Alix to the Local Authorities Pension Plan in 2023 were \$28,420 (2022 – \$35,406).

At December 31, 2022, the Plan disclosed an actuarial surplus of \$12.7 billion (2021 - \$11.9 billion).

16. 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 municipality be disclosed as follows:

	2023	2022
Total debt limit	\$ 4,272,887	\$ 3,900,486
Total debt	<u>2,429,675</u>	<u>2,578,405</u>
Total debt limit available	\$ <u>1,843,212</u>	\$ <u>1,322,081</u>
Debt service limit	\$ 712,148	\$ 650,081
Debt service	<u>235,406</u>	<u>235,436</u>
Debt service limit available	\$ <u>476,742</u>	\$ <u>414,645</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 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.

17. FINANCIAL INSTRUMENTS

The village is exposed to various risks through its financial instruments. The following analysis provides a measure of the village's risk exposure and concentrations at the balance sheet date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the village is not exposed to significant currency or other price risk, which is consistent with the prior year.

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

17. FINANCIAL INSTRUMENTS - Continued

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The village is subject to credit risk with respect to taxes and grants in place of taxes receivables 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. The carrying value of accounts receivable reflects management's assessment of credit risk. There has been no change to management's assessment of credit risk from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The village has fixed rate long-term debt which is subject to fair value risk, as the value will fluctuate as a result of changes in market rates. There has been no change to management's assessment of interest rate risk from the prior year.

Liquidity Risk

Liquidity risk is the risk that the village will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The village has sufficient cash available from its operations to meet its obligations. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from the prior year.

18. COMMITMENTS

The village is a member of the Highway 12/21 Regional Water Services Commission and are a related party. The village has entered into an agreement to receive water. The village purchased water from the commission during the year in the amount of \$182,383 (2022 - \$162,758). Amounts are recorded at exchange amount which is the amount agreed to by the parties.

The village is party to a shared fire protection services funding agreement with Lacombe County. Under the agreement they are responsible for their share of the costs of fire protection. The village is a member of a waste management commission. As such, they could be subject to additional requisitions for future site and post – closure care obligations of the landfill.

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

19. CONTINGENCIES

The village is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of the membership the village could become liable for its proportionate share of any claim losses in excess of funds held by the exchange. Any liability incurred would be accounted for in the year the losses are determined.

The village is a member of the Lacombe Regional Waste Services Commission, the Highway 12/21 Regional Water Commission, and the Alberta Urban Municipalities Association. Under the terms of the membership the village could become liable for its proportionate share of any losses incurred by these organizations. Any liability incurred would be accounted for as a current transaction in the year of settlement.

The village is a defendant in a lawsuit for \$197,837 plus interest and costs. To the date of the Independent Auditors' Report this action has yet to be settled. An amount has been accrued as a liability in the current period.

20. AMORTIZATION

Amortization is a non-cash expense and is allocated to the different functions as follows:

	2023	Restated (Note 3) 2022
Administration	\$ 2,805	\$ 2,798
Fire, ambulance and bylaws enforcement	13,146	14,688
Roads, streets, walk, lighting	271,536	268,165
Water and wastewater	140,149	141,138
Recreation and parks	14,558	11,689
Other	260	336
	<u>\$ 442,454</u>	<u>\$ 438,814</u>

21. NON-CASH TRANSACTIONS

Included in accounts payable is \$318,493 (2022 - \$NIL) related to the purchase of tangible capital assets.

This amount has been excluded from the statement of cash flows.

VILLAGE OF ALIX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

22. SEGMENTED DISCLOSURE

The Village of Alix 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.

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

Refer to the Schedule 6 – Segmented Disclosure.

23. BUDGET AMOUNTS

Budget figures for the year ended December 31, 2023 are for information purposes only and have not been audited.

24. APPROVAL OF FINANCIAL STATEMENTS

Council and Management approved these financial statements.