

VILLAGE OF ACME
Non-Consolidated Financial Statements
Year Ended December 31, 2023

VILLAGE OF ACME
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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Acme is responsible for the preparation, accuracy, objectivity and integrity of the accompanying non-consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Village's financial position as at December 31, 2023 and the results of its operations for the year then ended.

The non-consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the non-consolidated financial statements are presented fairly in all material respects.

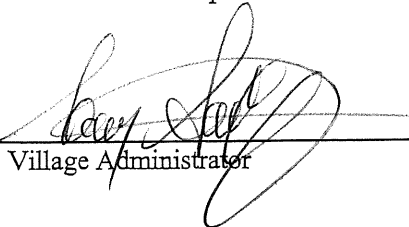
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the non-consolidated financial statements.

The Village Council carries out its responsibilities for review of the non-consolidated financial statements principally through Council. Council meets regularly with management and external auditor to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Village Council with and without the presence of management. The Village Council has approved the non-consolidated financial statements.

The non-consolidated financial statements have been audited by Vista Accounting Professional Corporation, Chartered Professional Accountant, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.



Village Administrator

Calgary, Alberta
April 08, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Acme

Opinion

We have audited the non-consolidated financial statements of Village of Acme (the Village), which comprise the statement of financial position as at December 31, 2023, and the result of its operations and accumulated surplus, changes in net financial assets 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 Village of Acme as at December 31, 2023, and results of its operation, changes in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Non-consolidated Financial Statements* section of our report. We are independent of Village of Acme in accordance with ethical requirements that are relevant to our audit of the non-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 Non-consolidated 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 non-consolidated financial statements, management is responsible for assessing the village'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 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.

Auditor's Responsibilities for the Audit of the Non-consolidated 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 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 non-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:

(continues)

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

- Identify and assess the risks of material misstatement of the non-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 non-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 non-consolidated financial statements, including the disclosures, and whether the non-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. We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Vista Accounting
Professional Corporation

Calgary, Alberta
March 26, 2024

VISTA ACCOUNTING PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

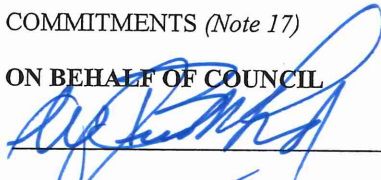
VILLAGE OF ACME
Statement of Financial Position
As at December 31, 2023


| | 2023 | 2022 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash (Note 2) | \$ 3,088,370 | \$ 1,110,068 |
| Trade and other receivables | 57,349 | 100,881 |
| Taxes and grants in place of taxes (Note 3) | 58,337 | 36,349 |
| Receivables from other governments | 276,629 | 252,670 |
| Land inventory held for resale | 185,858 | 201,888 |
| | 3,666,543 | 1,701,856 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 4) | 203,190 | 94,266 |
| Deposit liabilities | 9,524 | 25,237 |
| Deferred income (Note 5) | 2,327,689 | 808,569 |
| Long-term debt (Note 7) | 1,858,387 | 1,906,729 |
| | 4,398,790 | 2,834,801 |
| NET FINANCIAL DEBT | (732,247) | (1,132,945) |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 2) | 9,059,895 | 9,136,545 |
| ACCUMULATED SURPLUS | \$ 8,327,648 | \$ 8,003,600 |

CONTINGENCIES (Note 16)

COMMITMENTS (Note 17)

ON BEHALF OF COUNCIL


 _____ Councillor


 _____ Councillor

VILLAGE OF ACME
Non-Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2023

| | Unaudited Budget | 2023 | 2022 |
|--|---------------------|------------|------------|
| REVENUES | | | |
| Net Municipal Taxes (Schedule 3) | \$ 982,481 | \$ 988,931 | \$ 879,933 |
| User fees and sale of goods | 509,090 | 560,027 | 474,525 |
| Government Transfer (Schedule 4) | 98,678 | 161,753 | 186,894 |
| Other | 800 | 461,478 | 104,246 |
| Franchise and concession contracts | 60,732 | 47,881 | 48,725 |
| Investment income | 7,000 | 92,713 | 29,559 |
| Penalties and costs on taxes | 16,500 | 19,160 | 19,407 |
| License and permits | 4,300 | 5,422 | 5,098 |
| | 1,679,581 | 2,337,365 | 1,748,387 |
| EXPENSES | | | |
| General government | | | |
| Council and other legislative | 65,077 | 55,783 | 56,840 |
| General administrative | 466,124 | 605,209 | 679,925 |
| Protective services | | | |
| Fire | 65,560 | 79,687 | 82,028 |
| Transportation | 3,855 | 4,772 | 3,471 |
| Bylaw enforcement | 60,515 | 69,409 | 40,131 |
| Transportation | | | |
| Roads, streets, walks, lighting | 274,142 | 712,844 | 475,860 |
| Planning and development | | | |
| Land use planning, zoning and development | 1,020 | 6,412 | 11,157 |
| Subdivision land and development | 4,000 | 22,727 | 14,252 |
| Public Health and Welfare | | | |
| Family and community support | 8,570 | 10,092 | 8,282 |
| Cemeteries | 49,266 | 43,576 | 87,266 |
| Recreation and culture | | | |
| Parks and recreation | 124,818 | 149,878 | 153,473 |
| Libraries, museum, halls | 7,658 | 46,782 | 48,404 |
| Environmental use and protection | | | |
| Water supply and distribution | 291,946 | 398,658 | 375,802 |
| Waste water treatment and disposal | 33,123 | 65,499 | 64,730 |
| Waste management | 89,078 | 99,068 | 92,034 |
| | 1,544,752 | 2,370,396 | 2,193,655 |
| SURPLUS (DEFICIT) FROM OPERATIONS | 134,829 | (33,031) | (445,268) |
| OTHER INCOME | | | |
| Government transfer for capital (Schedule 4) | - | 357,079 | 386,003 |
| ANNUAL SURPLUS (DEFICIT) | 134,829 | 324,048 | (59,265) |

(continues)

VILLAGE OF ACME
Non-Consolidated Statement of Operations and Accumulated Surplus *(continued)*
Year Ended December 31, 2023

| | Unaudited Budget | 2023 | 2022 |
|--|---------------------|--------------|--------------|
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | - | 8,003,600 | 8,062,865 |
| ACCUMULATED SURPLUS - END OF YEAR | \$ 134,829 | \$ 8,327,648 | \$ 8,003,600 |

VILLAGE OF ACME
Non-Consolidated Statement of Changes in Net Financial Assets (Debt)
Year Ended December 31, 2023

| | Unaudited Budget | 2023 | 2022 |
|---|---------------------|--------------|----------------|
| ANNUAL SURPLUS (DEFICIT) | \$ 134,829 | \$ 324,048 | \$ (59,265) |
| Amortization of tangible capital assets | - | 512,399 | 478,579 |
| Purchase of tangible capital assets | - | (466,807) | (660,760) |
| Proceeds on disposal of tangible capital assets | - | 444,527 | - |
| Gain on disposal of Tangible capital assets | - | (413,469) | - |
| | - | 76,650 | (182,181) |
| INCREASE IN NET ASSETS | 134,829 | 400,698 | (241,446) |
| NET FINANCIAL DEBT - BEGINNING OF YEAR | - | (1,132,945) | (891,499) |
| NET FINANCIAL DEBT - END OF YEAR | \$ 134,829 | \$ (732,247) | \$ (1,132,945) |

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

| | 2023 | 2022 |
|--|----------------------------|----------------------------|
| OPERATING | | |
| Excess of revenue over expenditures | \$ 324,048 | \$ (59,265) |
| Non-cash items included in excess of revenues over expenses: | | |
| Amortization of tangible capital assets | 512,399 | 478,579 |
| Gain on disposal of tangible capital assets | (413,469) | - |
| Non-cash charges to operations (net change): | | |
| Increase in taxes and grants in places of taxes | (21,988) | 37,650 |
| Decrease in trade and other receivables | 43,532 | (27,947) |
| Increase in receivables from other governments | (23,959) | 362,593 |
| Increase in accounts payable | 108,924 | (68,646) |
| Decrease in deposit liabilities | (15,713) | 20,237 |
| Increase in deferred revenue | 1,519,120 | 69,466 |
| Decrease in inventory | 16,030 | 79,064 |
| Cash provided by operating | <u>2,048,924</u> | <u>891,731</u> |
| CAPITAL | | |
| Acquisition of tangible capital assets | (466,807) | (660,760) |
| Proceeds on disposal of property, plant and equipment | 444,527 | - |
| Cash flow used by capital | <u>(22,280)</u> | <u>(660,760)</u> |
| FINANCING ACTIVITY | | |
| Long-term debt repaid | <u>(48,342)</u> | <u>(59,195)</u> |
| CHANGE IN CASH AND CASH EQUIVALENT DURING THE YEAR | 1,978,302 | 171,776 |
| Cash and cash equivalents - beginning of year | <u>1,110,068</u> | <u>938,292</u> |
| CASH - END OF YEAR | <u>\$ 3,088,370</u> | <u>\$ 1,110,068</u> |

VILLAGE OF ACME
Schedule of Changes in Accumulated Operating Surplus
(Schedule 1)
For the Year Ended December 31, 2023

| | Unrestricted Surplus | Restricted Surplus | Equity in tangible capital assets | 2023 | 2022 |
|---|-------------------------|-----------------------|---|---------------------|---------------------|
| BALANCE, BEGINNING OF YEAR | \$ 444,501 | \$ 329,283 | \$ 7,229,816 | \$ 8,003,600 | \$ 8,062,865 |
| Excess of revenues over expenses | \$ 324,048 | \$ - | \$ - | \$ 324,048 | \$ (59,265) |
| Restricted funds used for operations | 15,750 | (15,750) | - | - | - |
| Restricted funds used for tangible capital assets | (435,749) | - | 435,749 | - | - |
| Annual amortization expense | 512,399 | - | (512,399) | - | - |
| Long-term debt repaid | (48,342) | - | 48,342 | - | - |
| Change in accumulated surplus | \$ 368,106 | \$ (15,750) | \$ (28,308) | \$ 324,048 | \$ (59,265) |
| BALANCE, END OF YEAR (Note 10) | \$ 812,607 | \$ 313,533 | \$ 7,201,508 | \$ 8,327,648 | \$ 8,003,600 |

See notes to financial statements

VILLAGE OF ACME
Schedule of Tangible Capital Assets
(Schedule 2)
For the Year Ended December 31, 2023

| | Land | | Building | Engineered Structures | Machinery and equipment | Vehicles | 2023 | | 2022 | |
|---|--------------|--------------|--------------|-----------------------|-------------------------|------------|---------------|---------------|--------|--|
| | Land | improvements | | | | | 2023 | 2022 | | |
| COST: | | | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | \$ 1,106,450 | \$ 841,453 | \$ 4,296,920 | \$ 9,011,769 | \$ 747,688 | \$ 182,040 | \$ 16,186,320 | \$ 15,525,560 | | |
| Acquisitions of tangible capital assets | - | 138,786 | 268,136 | 50,484 | 9,401 | - | 466,807 | 576,605 | | |
| Construction-in-progress | - | - | - | - | - | - | - | - | 84,155 | |
| Disposals | (21,340) | - | (9,718) | - | - | - | (31,058) | - | | |
| BALANCE, END OF YEAR | 1,085,110 | 980,239 | 4,555,338 | 9,062,253 | 757,089 | 182,040 | 16,622,069 | 16,186,320 | | |
| ACCUMULATED AMORTIZATION: | | | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | - | 274,920 | 1,569,333 | 4,693,327 | 377,111 | 135,084 | 7,049,775 | 6,571,196 | | |
| Annual amortization | - | 55,070 | 86,762 | 311,664 | 50,936 | 7,967 | 512,399 | 478,579 | | |
| Disposals | - | - | - | - | - | - | - | - | | |
| BALANCE, END OF YEAR | - | 329,990 | 1,656,095 | 5,004,991 | 428,047 | 143,051 | 7,562,174 | 7,049,775 | | |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ 1,085,110 | \$ 650,249 | \$ 2,899,243 | \$ 4,057,262 | \$ 329,042 | \$ 38,989 | \$ 9,059,895 | \$ 9,136,545 | | |
| 2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ 1,106,450 | \$ 566,533 | \$ 2,727,587 | \$ 4,318,442 | \$ 370,577 | \$ 46,956 | \$ 9,136,545 | \$ - | | |

See notes to financial statements

VILLAGE OF ACME
Schedule of Property and Other Taxes
(Schedule 3)
For the Year Ended December 31, 2023

| | Unaudited Budget | 2023 | 2022 |
|--|---------------------|-------------------|-------------------|
| TAXATION | | | |
| Residential land and improvement taxes | \$ 1,148,237 | \$ 1,133,355 | \$ 1,023,740 |
| Non-residential linear property taxes | - | 17,352 | 26,737 |
| Government grants in place of property taxes | - | 3,980 | 1,896 |
| | <u>1,148,237</u> | <u>1,154,687</u> | <u>1,052,373</u> |
| REQUISITIONS | | | |
| Alberta School Foundation fund | 163,271 | 163,271 | 170,135 |
| Seniors requisition | 2,485 | 2,485 | 2,305 |
| | <u>165,756</u> | <u>165,756</u> | <u>172,440</u> |
| NET MUNICIPAL TAXES | <u>\$ 982,481</u> | <u>\$ 988,931</u> | <u>\$ 879,933</u> |

VILLAGE OF ACME
Schedule of Government Transfer
(Schedule 4)
For the Year Ended December 31, 2023

| | Unaudited Budget | 2023 | 2022 |
|-----------------------------------|---------------------|-------------------|-------------------|
| TRANSFERS FOR OPERATING | | | |
| Provincial government | \$ 98,678 | \$ 98,678 | \$ 49,339 |
| Federal government | - | 2,625 | 3,938 |
| Local government | - | 60,450 | 133,617 |
| | <u>\$ 98,678</u> | <u>\$ 161,753</u> | <u>\$ 186,894</u> |
| TRANSFERS FOR CAPITAL | | | |
| Provincial government | \$ - | \$ 107,079 | \$ 133,243 |
| Federal government | - | 250,000 | 252,760 |
| | <u>-</u> | <u>357,079</u> | <u>386,003</u> |
| TOTAL GOVERNMENT TRANSFERS | <u>\$ -</u> | <u>\$ 518,832</u> | <u>\$ 572,897</u> |

VILLAGE OF ACME
Schedule of Expenses by Object
(Schedule 5)
For the Year Ended December 31, 2023

| | Unaudited Budget | 2023 | 2022 |
|--|---------------------|---------------------|---------------------|
| EXPENSES BY OBJECT | | | |
| Salaries, wages and benefits | \$ 644,803 | \$ 709,180 | \$ 664,565 |
| Contracted and general services | 308,543 | 368,045 | 412,842 |
| Materials, goods and utilities | 494,358 | 674,964 | 528,821 |
| Transfers to local boards and agencies | 21,248 | 32,507 | 20,297 |
| Transfers to individuals and organizations | 26,762 | 23,982 | 37,724 |
| Bank charges and short-term interest | 3,300 | 3,581 | 3,942 |
| Interest on capital long-term debt | 45,738 | 45,738 | 46,885 |
| Amortization of tangible capital assets | - | 512,399 | 478,579 |
| | <u>\$ 1,544,752</u> | <u>\$ 2,370,396</u> | <u>\$ 2,193,655</u> |

VILLAGE OF ACMIE
Schedule of Segmented Disclosure
(Schedule 6)
For the Year Ended December 31, 2023

| | General government | Protective services | Transportation services | Planning and development | Public Health and Welfare | Recreation and Culture | Environmental Services | 2023 |
|--|--------------------|---------------------|-------------------------|--------------------------|---------------------------|------------------------|------------------------|--------------|
| REVENUE | | | | | | | | |
| Net municipal property taxes | \$ 988,931 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 988,931 |
| User fees and sales of goods | 4,968 | 47,329 | - | 40,000 | 12,205 | 16,814 | 438,711 | 560,027 |
| Government transfers for operating | 8,875 | - | - | 98,678 | - | 54,200 | - | 161,753 |
| Other | 457,111 | 1,898 | - | - | 1,200 | 1,269 | - | 461,478 |
| Franchise and concession contracts | 47,881 | - | - | - | - | - | - | 47,881 |
| Investment income | 92,713 | - | - | - | - | - | - | 92,713 |
| Penalties and costs of taxes | 19,120 | - | - | - | - | - | 40 | 19,160 |
| Licenses and permits | 570 | 4,852 | - | - | - | - | - | 5,422 |
| | \$ 1,620,169 | \$ 54,079 | \$ - | \$ 138,678 | \$ 13,405 | \$ 72,283 | \$ 438,751 | \$ 2,337,365 |
| EXPENSES | | | | | | | | |
| Salaries, wages and benefits | \$ 418,330 | \$ - | \$ 140,807 | \$ - | \$ 39,590 | \$ 19,400 | \$ 91,053 | \$ 709,180 |
| Contracted and general services | 147,550 | 133,495 | 14,226 | 22,727 | 1,522 | 29,968 | 18,557 | 368,045 |
| Materials, goods and utilities | 29,258 | 11,460 | 253,645 | - | 3,210 | 11,737 | 365,654 | 674,964 |
| Transfers to local boards and agencies | - | - | - | 6,412 | 8,570 | 17,525 | - | 32,507 |
| Transfers to individuals and organizations | 3,982 | - | - | - | - | 20,000 | - | 23,982 |
| Bank charges and short-term interest | 3,581 | - | - | - | - | - | - | 3,581 |
| Interest on capital long-term debt | - | - | 45,738 | - | - | - | - | 45,738 |
| | \$ 602,701 | \$ 144,955 | \$ 454,416 | \$ 29,139 | \$ 52,892 | \$ 98,630 | \$ 475,264 | \$ 1,857,997 |

(continues)

See notes to financial statements

VILLAGE OF ACME
Schedule of Segmented Disclosure (continued)
(Schedule 6)
For the Year Ended December 31, 2023

| | General government | Protective services | Transportation services | Planning and development | Public Health and Welfare | Recreation and Culture | Environmental Services | 2023 |
|--|--------------------|---------------------|-------------------------|--------------------------|---------------------------|------------------------|------------------------|------------|
| EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES, BEFORE AMORTIZATION AND OTHER | \$ 1,017,468 | \$ (90,876) | \$ (454,416) | \$ 109,539 | \$ (39,487) | \$ (26,347) | \$ (36,513) | \$ 479,368 |
| Capital government transfers | 250,103 | - | 106,976 | - | - | - | - | 357,079 |
| Amortization expense | 58,291 | 8,914 | 258,427 | - | 777 | 98,030 | 87,960 | 512,399 |
| EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES | \$ 1,209,280 | \$ (99,790) | \$ (605,867) | \$ 109,539 | \$ (40,264) | \$ (124,377) | \$ (124,473) | \$ 324,048 |

See notes to financial statements

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The non-consolidated financial statements of the Village of Acme are the representations of management prepared in accordance with generally accepted accounting principles for the 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 non-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 of 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.

Basis of accounting

These non-consolidated 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 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 or goods have yet to be provided. 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 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.

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VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reserves for future expenses

Reserves are established at the discretion of Council to set aside funds for the future operating and capital expenses. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

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.

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.

Revenue recognition

Revenue from transactions with no performance obligation is recognized at realizable value when 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.

(continues)

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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 the Village is either directly responsible and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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 (Debt) for the year.

I. Tangible Capital Assets

Tangible capital assets is 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 at the following rates:

| | |
|---|--------------|
| Land improvements | 20-50 years |
| Buildings | 20-50 years |
| Engineering structure - Road System | 20-100 years |
| Engineering structure - Water system | 45-75 years |
| Engineering structure - Wastewater system | 45-75 years |
| Machinery, equipment and furnishings | 10-40 years |
| Vehicles | 5-15 years |

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.

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

(continues)

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases are classified as capital or operating leases. Leases which transfer substantially all 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 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 TEMPORARY INVESTMENTS

| | 2023 | 2022 |
|----------------------|--------------|--------------|
| Cash | \$ 3,086,738 | \$ 1,108,436 |
| Temporary investment | 1,632 | 1,632 |
| | \$ 3,088,370 | \$ 1,110,068 |

Temporary investments are comprised of a guaranteed investment certificate that bears interest at 0.65% and matures November 20, 2025. The temporary investment balance resulted from the sale of a tax recovery property and cannot be utilized for general purposes.

Included in cash and temporary investments is a restricted amount of \$329,283 (2022 - \$329,283) received from the Alberta Government and other sources for various grant initiatives and held exclusively for certain capital projects and operating costs (Note 5). Also contained in the cash account is \$537,750 (2022 - \$510,100) in loan proceeds from Alberta Capital Finance Authority to fund approved capital projects for the 2023 year.

The Village is approved for a bank overdraft up to \$200,000, bearing interest at bank prime rate.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

| | 2023 | 2022 |
|--|-----------|-----------|
| Current taxes and grants in place of taxes | \$ 50,933 | \$ 24,820 |
| Arrears taxes | 7,404 | 11,530 |
| | \$ 58,337 | \$ 36,350 |

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|------------------|
| Accounts payable and accrued liabilities | \$ 200,054 | \$ 70,024 |
| Accrued vacation pay payable | <u>3,136</u> | <u>24,242</u> |
| | <u>\$ 203,190</u> | <u>\$ 94,266</u> |

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

5. DEFERRED INCOME

The deferred revenue balance represents funds received for specific purposes that have not been spent by year end. Deferred revenue consists of the following:

| | 2023 | 2022 |
|---|--------------|------------|
| Government of Canada - Pumphouse and Lift station | \$ 1,484,991 | \$ - |
| Alberta Municipal Sustainability Initiative | 371,841 | 353,808 |
| Canada Community-Building Fund | 265,495 | 249,399 |
| Kneehill County | 200,000 | 200,000 |
| Sports Day Activities | 3,722 | 3,722 |
| Acme Firefighter Association | 1,640 | 1,640 |
| | \$ 2,327,689 | \$ 808,569 |

Alberta Municipal Sustainability Initiative (MSI Capital)

The MSI is the Province of Alberta's commitment to assist municipalities in meeting growth-related challenges and enhancing long term sustainability. It includes incentives to encourage collaboration and cooperation between municipalities. The balance at year-end represents the unspent portion of the funding received or receivable to date plus interest earned.

Government of Alberta - Transportation and Economic Corridors

The Transportation and Economic Corridor's commitment is to support initiatives that promote the viability and long-term sustainability of municipalities and to support the maintenance of safe, healthy, and vibrant communities.

Canada Community-Building Fund

The Canada Community-Building Fund provides long term funding to municipalities to help build and revitalize local public infrastructure. The balance at year-end represents the unspent portion of the funding received or receivable at the end of the year.

Kneehill County

The County has approved funding to the Village for the purpose of an approved capital project.

Sports Day Activities

The balance represents the unspent portion of the funding received to be carried forward to be utilized in future years for sports day activities.

Acme Firefighters Association

The association provided funding to the Village for the purpose of acquiring equipment. The balance represents the unspent portion of the funding received.

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

6. CONTAMINATED SITES LIABILITY

The Village owns properties that may contain environmental contamination and may require site reclamation. The amount of any such obligations are not practically estimable.

7. LONG-TERM DEBT

| | 2023 | 2022 |
|--------------------------|---------------------|---------------------|
| Tax supported debentures | \$ <u>1,858,387</u> | \$ <u>1,906,729</u> |

The current portion of the long-term debt amounts to \$49,515 (2022 - \$48,341).

8. PRINCIPAL AND INTEREST ON LONG-TERM DEBT

Principal and interest repayments are due as follows:

| | Principal | Interest | Total |
|------------|--------------|------------|--------------|
| 2024 | \$ 49,515 | \$ 44,565 | \$ 94,080 |
| 2025 | 50,718 | 43,362 | 94,080 |
| 2026 | 51,950 | 42,130 | 94,080 |
| 2027 | 53,211 | 40,869 | 94,080 |
| 2028 | 54,503 | 39,577 | 94,080 |
| Thereafter | 1,598,490 | 471,264 | 2,069,754 |
| | \$ 1,858,387 | \$ 681,767 | \$ 2,540,154 |

The Alberta Capital Finance Authority loan is repayable on June 15 and December 15. The semi-annual payment are \$47,040 with interest payable at 2.414%.

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

The Interest on long term debt amount to \$45,738 (2022 - \$46,885).

The Village's total cash payments in 2023 were \$48,341 (2022 - \$59,040).

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

9. DEBT LIMITS AND DEBT SERVICING LIMIT

| | 2023 | 2022 |
|---------------------------------------|--------------|--------------|
| Total debt limit | \$ 4,041,666 | \$ 2,301,462 |
| Less: Total Debt | (1,858,387) | (1,906,729) |
| Amount of debt limit unused | \$ 2,183,279 | \$ 394,733 |
| | | |
| Debt servicing limit | \$ 673,611 | \$ 383,577 |
| Less: Debt servicing | (94,080) | (106,080) |
| Amount of debt servicing limit unused | \$ 579,531 | \$ 277,497 |

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 Acme are to be disclosed.

The debt limit is calculated at 1.50 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.

10. ACCUMULATED SURPLUS

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

| | 2023 | 2022 |
|-----------------------------------|--------------|--------------|
| Unrestricted surplus | \$ 812,607 | \$ 444,501 |
| Restricted surplus: | | |
| Fire | 60,799 | 60,581 |
| Recreation | 68,000 | 68,000 |
| Chamber of Commerce | 1,048 | 1,048 |
| Transfer Site/ICF Reserves | 5,782 | 6,000 |
| Cemetery | 3,275 | 3,275 |
| General Contingency | 174,629 | 190,379 |
| Equity in tangible capital assets | 7,201,508 | 7,229,816 |
| | \$ 8,327,648 | \$ 8,003,600 |

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

11. EQUITY IN TANGIBLE CAPITAL ASSETS

| | 2023 | 2022 |
|---------------------------------------|---------------|---------------|
| Tangible capital assets (schedule 2) | \$ 16,622,069 | \$ 16,186,320 |
| Accumulated amortization (schedule 2) | (7,562,174) | (7,049,775) |
| Long-term debt (note 7) | (1,858,387) | (1,906,729) |
| | \$ 7,201,508 | \$ 7,229,816 |

12. SEGMENTED DISCLOSURE

The Village 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).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police, and fire. Transportation includes roads, streets, walks and lighting. 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. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management.

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

13. SALARY AND BENEFITS DISCLOSURE

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

| | Salary | Benefits & allowances | 2023 | 2022 |
|----------------------------------|----------|--------------------------|----------|----------|
| Mayor McLeod | \$ 9,600 | \$ - | \$ 9,600 | \$ 6,600 |
| Deputy Mayor Bates | 8,340 | - | 8,340 | 5,940 |
| Councillor Kuiken | 8,242 | - | 8,242 | 5,742 |
| Councillor Laking | 9,042 | - | 9,042 | 5,742 |
| Councillor Ternowetsky | 9,442 | - | 9,442 | 5,742 |
| Chief Administrative Officer | 98,000 | 21,637 | 119,637 | 119,666 |
| Designated Assessor (1 Position) | 10,842 | - | 10,842 | 10,842 |

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct case remuneration.
 2. Employer's share of all employee benefits and contributions or payments 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.
 3. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.
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VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

14. 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 Pensions Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

| | 2023 | 2022 |
|---|-----------|-----------|
| Current service contributions by Employer | \$ 35,583 | \$ 29,336 |
| Current service contributions by Employee | 31,519 | 26,056 |
| | \$ 67,102 | \$ 55,392 |

The Village is required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Total current service contributions by the Village to the LAPP in 2023 were \$35,583 (2022 - \$29,336). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan in 2023 were \$31,519 (2022 - \$26,056).

At December 31, 2022 the LAPP disclosed an actuarial surplus of \$12.7 billion. The amount is not specifically allocated to the participating government organizations. The 2023 actuarial balance was not available at the date these financial statements were released.

15. BUDGET AMOUNTS

The 2023 budget for the Village was approved by Council on December 12, 2022 and has been reported in the financial statements for information purposes only. Amortization was not considered in the budget and has not been included. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

16. CONTINGENCIES

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). 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 in the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

17. COMMITMENTS

The Village has entered into an agreement with a private corporation for the period April 1, 2020 to March 31, 2025 for the purpose of property assessments.

The Village has entered into an agreement to provide wastewater services to a private corporation for a 5 year period, ending on May 31, 2025.

The Village has entered into intermunicipal service agreements with Kneehill County for a period of 5 years, ending on December 31, 2024.

The Village has entered into a 30 year surface lease agreement at a rate of \$1 per year with a not-for-profit organization. As each specified parcel is developed, the reduction of taxation on specified property will occur.

The Village has entered into an option to purchase agreement with private corporation on July 14, 2023 for the period of 48 months.

The Village has entered into a lease agreement with a private corporation for the period August 12, 2023 to August 11, 2028 to lease a portion of land located in 111 Clarke street. The annual lease payments is \$2,710.

The Village has entered into Tri community enforcement services agreement in June 20, 2023 to June 30, 2026 for the purpose of providing enforcement services for municipal bylaws and traffic operations.

18. RELATED PARTY TRANSACTIONS

The Aqua 7 Regional Water Commission has been identified as a related party. The Village of Acme has entered into an agreement with the Commission for a supply of water service.

Service fees are based on budgeted operating costs of the Commission. Water purchases are based on actual water consumption during the year. Fees and rates are reviewed by the Commission on an annual basis.

Service fees and water purchases paid to the commission for 2023 were \$223,451 (2022 - \$226,816).

Amount payable to the commission at December 31, 2023 is \$16,012 (2022 - \$15,140).

VILLAGE OF ACME
Notes to Non-Consolidated Financial Statements
Year Ended December 31, 2023

19. FINANCIAL INSTRUMENTS

The Village of Acme's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable, accrued 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. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Village manages risk exposure on these items similar to other receivables and payables.

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 Village is exposed to market price risk from investments in equity instruments whose value fluctuates with changes in quoted market prices.

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.
