

**VILLAGE OF BRETON**

**Financial Statements**

**For The Year Ended December 31, 2021**

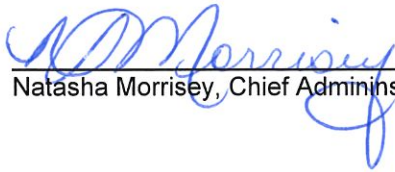
**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

Management of the Village of Breton is responsible for the accompanying financial statements. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

To assist in meeting its responsibility, management maintains appropriate systems of control and administrative controls designed to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The preparation of financial statements necessarily includes some amounts which are based on best estimates and judgments of management.

The financial statements have been audited by Metrix Group LLP, Chartered Professional Accountants. Their report to the Mayor and Village Council, stating the scope of their examination and opinion on the financial statements follows.



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Natasha Morrisey, Chief Administrative Officer

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Members of Council of the Village of Breton

### *Opinion*

We have audited the financial statements of Village of Breton (the Village), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes 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 of Breton as at December 31, 2021, and the results of its operations and accumulated surplus, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 ethical responsibilities in accordance with these requirements. We believe 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 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 Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (Council) are responsible for overseeing the Village's financial reporting process.

(continues)



## *Auditors' Responsibility 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 it 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 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 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 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 our auditors' report. However, future events or conditions may cause the Board 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 significant deficiencies in internal control that we identify during our audit.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
September 14, 2022

VILLAGE OF BRETON  
Statement of Financial Position  
As at December 31, 2021

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ -	\$ 2,017,532
Receivables (Note 3)	-	350,292
Land held for resale	-	114,934
	<u>-</u>	<u>2,482,758</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	85,157
Deposit liabilities	-	8,292
Deferred revenue (Note 4)	<b>730,840</b>	626,039
	<u>730,840</u>	<u>719,488</u>
<b>NET FINANCIAL ASSETS</b>	<u>(730,840)</u>	<u>1,763,270</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	<b>15,518,079</b>	8,133,586
Prepaid expenses	-	542
	<u>15,518,079</u>	<u>8,134,128</u>
<b>ACCUMULATED SURPLUS (Note 6)</b>	<b>\$ 14,787,239</b>	<b>\$ 9,897,398</b>
Contingencies (Note 9)		

ON BEHALF OF VILLAGE COUNCIL:

Gloria Tomack Mayor

\_\_\_\_\_ Councillor

**VILLAGE OF BRETON**  
**Statement of Operations and Accumulated Surplus**  
**For The Year Ended December 31, 2021**

	2021 (Budget) (Note 15)	2021 (Actual)	2020 (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ -	\$ -	\$ 627,092
Sales and user charges (Schedule 4)	-	-	548,528
Government transfers for operating (Schedule 3)	-	-	266,868
Franchise and concession contracts (Note 11)	-	(1)	138,052
Penalties and costs on taxes	-	-	19,552
Rentals	-	-	16,390
Return on investments	-	-	10,007
Other	-	-	6,227
Fines	-	-	2,262
Licenses and permits	-	-	1,345
	-	(1)	1,636,323
<b>EXPENSES</b>			
Parks and recreation	-	-	302,919
Roads, streets, walks and lighting	-	-	300,088
General and administration	-	-	272,268
Culture: libraries, museums and halls	-	-	158,356
Family and community support	-	-	116,161
Police	-	-	84,220
Waste management	-	-	69,760
Water supply and distribution	-	-	55,235
Council	-	-	31,227
Bylaws enforcement	-	-	10,080
Community and agricultural services	-	-	10,042
Wastewater treatment and disposal	-	-	5,421
Cemeteries	-	-	1,092
Disaster and emergency services	-	-	880
Fire	-	-	310
Land use planning, zoning and development	-	-	109
Subdivision land and development	-	-	-
Amortization	-	(6,821,666)	310,652
	-	(6,821,666)	1,728,820
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	-	<b>6,821,665</b>	<b>(92,497)</b>
<b>OTHER REVENUE</b>			
Government transfers for capital (Schedule 3)	-	-	467,934
Other capital revenue	-	-	2,600
Gain on disposal of tangible capital assets	-	-	2,150
	-	-	472,684
<b>ANNUAL SURPLUS</b>	-	<b>6,821,665</b>	<b>380,187</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>9,897,401</b>	<b>9,897,401</b>	<b>9,517,214</b>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 6)</b>	<b>\$ 9,897,401</b>	<b>\$16,719,066</b>	<b>\$ 9,897,401</b>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BRETON**  
**Statement of Changes in Net Financial Assets**  
**For The Year Ended December 31, 2021**

	2021 (Budget) (Note 15)	2021 (Actual)	2020 (Actual)
<b>ANNUAL SURPLUS</b>	\$ -	\$ 6,821,665	\$ 380,187
Acquisition of tangible capital assets	(2,112,704)	(563,177)	(2,253,436)
Proceeds on disposal of tangible capital assets	-	2,500	-
Amortization of tangible capital assets	-	(6,821,666)	310,652
Gain on disposal of tangible capital assets	-	-	(2,150)
	<u>(2,112,704)</u>	<u>(7,382,343)</u>	<u>(1,944,934)</u>
Use of prepaid expenses	-	542	(542)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	(2,112,704)	(560,136)	(1,565,289)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	(1,392)	(1,392)	1,563,897
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$(2,114,096)</u>	<u>\$ (561,528)</u>	<u>\$ (1,392)</u>

**VILLAGE OF BRETON**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Cash from operations:		
Annual surplus	\$ 6,821,665	\$ 380,187
Non-cash items included in annual surplus		
Amortization	(6,821,666)	310,652
Gain on disposal of tangible capital assets	-	(2,150)
 Change in non-cash working capital balances related to operations:		
Prepaid expenses	542	(542)
Receivables	350,292	244,266
Accounts payable and accrued liabilities	(85,157)	(447,638)
Deferred revenue	104,801	104,801
Land held for resale	114,934	-
Deposit liabilities	(8,292)	299
	<u>477,119</u>	<u>589,875</u>
 <b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	-	(3,018)
 <b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(563,177)	(2,253,436)
Proceeds on sale of tangible capital assets	2,500	-
 <b>CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR</b>	<b>(83,558)</b>	<b>(1,666,579)</b>
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>321,754</b>	<b>1,988,333</b>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 238,196</b>	<b>\$ 321,754</b>



**VILLAGE OF BRETON**  
**Schedule of Equity in Tangible Capital Assets**  
**For The Year Ended December 31, 2021**

*Schedule 1*

	2021	2020
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 9,827,217</b>	<b>\$ 7,881,415</b>
Purchase of Tangible Capital Assets	563,177	2,253,436
Amortization of Tangible Capital Assets	6,821,666	(310,652)
Net Book Value of Tangible Capital Assets Disposed of	(350)	-
Repayment of Capital Long-term Debt	-	3,018
<b>BALANCE, END OF YEAR</b>	<b><u>\$17,211,710</u></b>	<b><u>\$ 9,827,217</u></b>

**EQUITY IN TANGIBLE CAPITAL ASSETS IS COMPRISED OF THE FOLLOWING:**

Tangible Capital Assets (net book value)	<u>\$15,518,079</u>	<u>\$ 8,133,586</u>
	<u>\$15,518,079</u>	<u>\$ 8,133,586</u>

VILLAGE OF BRETON  
 Schedule of Property Taxes  
 For The Year Ended December 31, 2021

Schedule 2

	2021 (Budget) (Note 15)	2021 (Actual)	2020 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ -	\$ -	\$ 741,582
Linear property taxes	-	-	39,245
Government grants in lieu	-	-	15,238
	-	-	796,065
<b>REQUISITIONS</b>			
Alberta School Foundation requisition	-	-	156,901
Brazeau Seniors requisition	-	-	12,072
	-	-	168,973
<b>NET MUNICIPAL TAXES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 627,092</b>

VILLAGE OF BRETON  
 Schedule of Government Transfers  
 For The Year Ended December 31, 2021

Schedule 3

	2021 (Budget) (Note 15)	2021 (Actual)	2020 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Local governments	\$ -	\$ -	\$ 190,533
Provincial government	-	-	76,335
	-	-	266,868
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	-	-	467,934
	-	-	467,934
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 734,802</b>

VILLAGE OF BRETON  
Schedule of Segmented Information  
For The Year Ended December 31, 2021

Schedule 4

	General Administration	Family and Community Support	Parks and Recreation	Roads Streets, Walks and Lighting	Utilities	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 231,953	\$ 1,354	\$ 20,315	\$ 335,253	\$ -	\$ (588,875)	\$ -
All other	-	-	-	-	-	(1)	(1)
	231,953	1,354	20,315	335,253	-	(588,876)	(1)
<b>EXPENSES</b>							
Materials, goods, and contracted Insurance	13,824	-	(13,824)	-	-	-	-
	13,824	-	(13,824)	-	-	-	-
<b>NET REVENUE BEFORE AMORTIZATION</b>	218,129	1,354	34,139	335,253	-	(588,876)	(1)
Amortization	-	-	-	-	-	(6,821,666)	(6,821,666)
<b>NET REVENUE</b>	\$ 218,129	\$ 1,354	\$ 34,139	\$ 335,253	\$ -	\$ 6,232,790	\$ 6,821,665

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BRETON  
 Schedule of Segmented Information  
 For The Year Ended December 31, 2020

Schedule 4

	General Administration	Family and Community Support	Parks and Recreation	Roads Streets, Walks and Lighting	Utilities	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 231,953	\$ 1,354	\$ 20,315	\$ 335,253	\$ -	\$ 38,217	\$ 627,092
Sales and user charges	4,261	5,272	310,616	1,857	225,676	846	548,528
Government transfers	-	104,009	14	31,227	-	131,618	266,868
All other	2,936	603	-	-	-	173,906	177,445
Rentals	11,992	-	2,175	-	-	2,223	16,390
	251,142	111,238	333,120	368,337	225,676	346,810	1,636,323
<b>EXPENSES</b>							
Salaries, wages, and benefits	206,415	63,492	78,549	147,205	10,928	146,903	653,492
Materials, goods, and contracted and general services	49,346	48,660	163,152	29,672	75,147	71,431	437,408
Repairs and maintenance	5,579	-	34,725	49,649	21,364	10,936	122,253
Utilities	9,119	-	19,003	64,422	15,922	38,521	146,987
Insurance	11,020	-	32,654	5,338	5,950	(10,401)	44,561
Telephone	4,614	1,146	3,983	1,437	-	2,287	13,467
	286,093	113,298	332,066	297,723	129,311	259,677	1,418,168
<b>NET REVENUE BEFORE AMORTIZATION</b>	(34,951)	(2,060)	1,054	70,614	96,365	87,133	218,155
Amortization	35,174	-	56,486	99,170	69,099	50,723	310,652
<b>NET REVENUE</b>	\$ (70,125)	\$ (2,060)	\$ (55,432)	\$ (28,556)	\$ 27,266	\$ 36,410	\$ (92,497)

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BRETON**  
**Schedule of Golf Course Operations**  
**For The Year Ended December 31, 2021**

*Schedule 5*

	2021 (Budget) (Note 15)	2021 (Actual)	2020 (Actual)
<b>REVENUE</b>			
Membership and green fees	\$ -	\$ -	\$ 157,965
Cart rentals	-	-	49,378
Restaurant	-	-	13,307
Merchandise	-	-	6,569
Advertising	-	-	1,235
Tournament fees	-	-	1,076
	-	-	<u>229,530</u>
<b>EXPENSES</b>			
Contracted services	-	-	80,320
Salaries, wages, and benefits	-	-	74,622
All other	-	-	29,764
Repairs and maintenance	-	-	21,067
Utilities and telephone	-	-	14,357
Insurance	-	-	5,649
Fuel and oil	-	-	2,843
Advertising	-	-	441
	-	-	<u>229,063</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467</u>

**VILLAGE OF BRETON**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2021**

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The Village of Breton ("the Village") is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA).

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Village are as follows:

*(a) Reporting Entity*

The financial statements reflect the assets, liabilities, revenues, and expense, and changes in financial position of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Mayor and Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

*(b) Basis of Accounting*

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenue 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.

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

*(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 expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

*(d) Cash and Cash Equivalents*

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

*(e) Land Held for Resale*

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

(CONT'D)

1. ACCOUNTING POLICIES (CONT'D)

(f) *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 this loss.

(g) *Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	20 - 50 years
Engineered structures:	
Roadways	20 - 35 years
Wastewater systems	75 years
Water systems	45 - 75 years
Machinery and equipment	5 - 30 years
Vehicles	10 years

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

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

(h) *Contaminated sites*

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Village is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(i) *Under-levies and Over-levies*

Under-levies and over-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

In situations where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and reflected as property taxes. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(j) *New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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VILLAGE OF BRETON  
Notes to Financial Statements  
For The Year Ended December 31, 2021

**2. CASH AND CASH EQUIVALENTS**

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ -	\$ 1,000
Deposit accounts with financial institutions	-	2,016,532
	<u>\$ -</u>	<u>\$ 2,017,532</u>

**3. RECEIVABLES**

	<u>2021</u>	<u>2020</u>
Government transfers, trade and other	\$ -	\$ 256,285
Taxes	-	71,435
Goods and Services Tax	-	13,632
Utilities	-	18,871
	-	360,223
Less: Allowance for doubtful taxes	-	(9,931)
	<u>\$ -</u>	<u>\$ 350,292</u>

**4. DEFERRED REVENUE**

Deferred revenue consists of conditional government grant funding and donations received which relate to expenses of future periods.

	<u>2020</u>	<u>Receipts</u>	<u>Revenue</u>	<u>2021</u>
Municipal Sustainability Initiative	\$ 610,238	\$ 455,058	\$ (131,260)	\$ 934,036
Other	15,801	4,656	(36,510)	(16,053)
Federal Gas Tax Funds	-	100,000	(247,143)	(147,143)
Municipal Stimulus Program	-	28,231	(68,231)	(40,000)
	<u>\$ 626,039</u>	<u>\$ 587,945</u>	<u>\$ (483,144)</u>	<u>\$ 730,840</u>

**VILLAGE OF BRETON**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2021**

**5. TANGIBLE CAPITAL ASSETS**

	<b>2021</b>		<b>2020</b>	
	<b>Net Book</b>		<b>Net Book</b>	
	<b>Value</b>		<b>Value</b>	
Engineered structures				
Roadways	<b>\$ 3,881,795</b>		\$ 1,118,943	
Water systems	<b>2,256,031</b>		1,435,114	
Wastewater systems	<b>1,361,584</b>		537,713	
	<b>7,499,410</b>		3,091,770	
Buildings	<b>6,456,425</b>		4,411,724	
Machinery, equipment, and furnishings	<b>1,409,694</b>		535,250	
Land	<b>61,531</b>		61,531	
Vehicles	<b>91,019</b>		33,311	
	<b>\$ 15,518,079</b>		\$ 8,133,586	

	Cost Beginning of Year	Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 3,797,177	\$ 84,618	\$ -	-	\$ 3,881,795
Water systems	2,221,561	34,468	-	-	2,256,029
Wastewater systems	1,361,584	-	-	-	1,361,584
	7,380,322	119,086	-	-	7,499,408
Buildings	6,261,607	198,973	(4,154)	-	6,456,426
Machinery, equipment, and furnishings	1,168,085	245,118	(3,507)	-	1,409,696
Land	61,531	-	-	-	61,531
Vehicles	91,019	-	-	-	91,019
	\$ 14,962,564	\$ 563,177	\$ (7,661)	-	\$ 15,518,080

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 2,678,234	\$ (2,678,234)	\$ -	-	\$ -
Wastewater systems	823,871	(823,871)	-	-	-
Water systems	786,447	(786,449)	-	-	(2)
	4,288,552	(4,288,554)	-	-	(2)
Buildings	1,849,883	(1,845,728)	(4,154)	-	1
Machinery, equipment, and furnishings	632,835	(629,676)	(3,157)	-	2
Land	-	-	-	-	-
Vehicles	57,708	(57,708)	-	-	-
	\$ 6,828,978	\$ (6,821,666)	\$ (7,311)	-	\$ 1

VILLAGE OF BRETON  
Notes to Financial Statements  
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6. ACCUMULATED SURPLUS

	2021	2020
Unrestricted surplus	\$ 2	\$ 934,351
Restricted surplus		
Reserves (Note 7)	-	829,461
Equity in tangible capital assets (Schedule 1)	<u>17,211,710</u>	<u>9,827,217</u>
	<u>\$ 17,211,712</u>	<u>\$ 11,591,029</u>

7. RESERVES

	2021	2020
Land and subdivision development	\$ -	\$ 286,338
Common services contingency	-	93,188
Community Hall	-	80,000
Mill rate stabilization	-	55,042
Recreation	-	53,230
Water	-	44,488
Facilities	-	43,515
Roads and Streets	-	43,424
Common services equipment	-	41,053
Water and wastewater contingency	-	24,128
Cemetery	-	21,245
Public Works	-	20,001
Library	-	13,205
Economic development	-	10,000
Administration	-	604
	<u>\$ -</u>	<u>\$ 829,461</u>

8. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village be disclosed as follows:

	2021	2020
Total debt limit	\$ (2)	\$ 2,454,485
Total debt	-	-
Amount of total debt limit unused	<u>\$ (2)</u>	<u>\$ 2,454,485</u>
Debt servicing limit	\$ -	\$ 409,081
Debt servicing	-	-
Amount of debt servicing limit unused	<u>\$ -</u>	<u>\$ 409,081</u>

**VILLAGE OF BRETON**  
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**9. CONTINGENCIES**

The Village is a member of the Alberta Municipal Insurance Exchange. Under the terms of membership, the Village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

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**10. CONTRACTUAL OBLIGATIONS**

(a) Waste Disposal Agreement

The Village has entered into an agreement for waste and recycling pick-up services for the period October 1, 2020 - September 30, 2025. The estimated cost of these services is approximately \$60,000 annually. Future requirements will be adjusted based on the Consumer Price Index for the Edmonton region.

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**11. UTILITY FRANCHISE AGREEMENTS**

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	<u>2021</u>	<u>2020</u>
Fortis Alberta Inc.	\$ (1)	\$ 108,005
Atco Gas	-	30,047
	<u>\$ (1)</u>	<u>\$ 138,052</u>

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**12. FINANCIAL INSTRUMENTS**

The Village's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Village's credit risk.

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**13. SEGMENTED INFORMATION**

The Village provides a range of services to its citizens. 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. For additional information see the Schedule of Segment Disclosure (Schedule 4).

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**VILLAGE OF BRETON**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2021**

**14. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for municipal officials, the Municipal Administrator and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits (2)	Total	
			2021	2020
<b>Mayor</b>				
Tornack	800	-	<b>800</b>	-
Bohning	3,550	-	<b>3,550</b>	3,350
<b>Councillors</b>				
Pritchard	3,850	-	<b>3,850</b>	4,560
Simpson	3,600	-	<b>3,600</b>	3,250
Young	3,600	-	<b>3,600</b>	3,600
Plaquin	3,050	-	<b>3,050</b>	2,500
Barker	750	-	<b>750</b>	-
Barrett	700	-	<b>700</b>	4,560
Parkyn	700	-	<b>700</b>	-
Sheaves	700	-	<b>700</b>	-
	\$ 19,900	\$ -	\$ 21,300	\$ 17,260
<b>Chief Administrative Officer</b>	\$ 113,584	\$ -	\$ 113,584	\$ 86,606

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Benefits and allowances include the employer's share of the Canada pension plan, employment insurance and contributions 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.

**VILLAGE OF BRETON**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2021**

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**15. BUDGET**

The 2021 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on March 10, 2021. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	<u>2021 (Budget)</u>	<u>2021 (Actual)</u>
Annual surplus	\$ -	\$ 6,821,665
Add back:		
Net transfers to (from) reserves	144,295	829,461
Deduct:		
Purchase of tangible capital assets	<u>(2,112,704)</u>	<u>(563,177)</u>
Adjusted annual surplus (deficit)	<u>\$(1,968,409)</u>	<u>\$ 7,087,949</u>

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**16. COMPARATIVE FIGURES**

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

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**17. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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