

VILLAGE OF BRETON

Financial Statements

For The Year Ended December 31, 2022

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
April 12, 2023

INDEPENDENT AUDITORS' REPORT

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, 2022, 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, 2022, 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.

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**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.

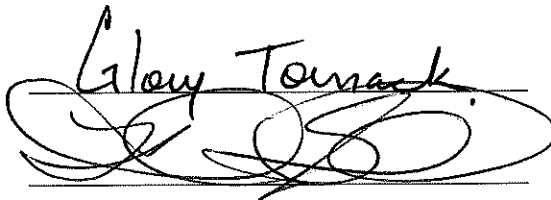


Natasha Morrisey, Chief Administrative Officer

VILLAGE OF BRETON
Statement of Financial Position
As at December 31, 2022

	2022	2021 (Restated) (Note 16)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 2,361,810	\$ 2,017,532
Receivables (Note 3)	433,000	396,961
Land held for resale	114,934	114,934
	<u>2,909,744</u>	<u>2,529,427</u>
LIABILITIES		
Accounts payable and accrued liabilities	114,603	85,157
Deposit liabilities	8,892	8,292
Deferred revenue (Note 4)	667,680	626,039
	<u>791,175</u>	<u>719,488</u>
NET FINANCIAL ASSETS	<u>2,118,569</u>	<u>1,809,939</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	7,835,201	8,133,590
Prepaid expenses	-	542
	<u>7,835,201</u>	<u>8,134,132</u>
ACCUMULATED SURPLUS (Note 6)	<u>\$ 9,953,770</u>	<u>\$ 9,944,071</u>
Contingencies (Note 9)		

ON BEHALF OF VILLAGE COUNCIL:



Mayor

Councillor

VILLAGE OF BRETON
Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2022

	2022 (Budget) (Note 15)	2022 (Actual)	2021 (Actual) (Restated) (Note 16)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 634,019	\$ 630,165	\$ 627,092
Sales and user charges (Schedule 4)	464,120	565,916	548,528
Government transfers for operating (Schedule 3)	333,095	333,323	313,536
Franchise and concession contracts (Note 11)	140,000	147,258	138,052
Return on investments	12,000	39,216	10,007
Penalties and costs on taxes	15,000	23,610	19,552
Rentals	18,200	20,994	16,390
Other	14,500	19,265	6,227
Fines	2,000	3,295	2,262
Licenses and permits	500	1,085	1,345
	<u>1,633,434</u>	<u>1,784,127</u>	<u>1,682,991</u>
EXPENSES			
Roads, streets, walks and lighting	402,519	322,889	300,088
Parks and recreation	320,696	304,537	302,919
General and administration	265,105	231,403	272,268
Culture: libraries, museums and halls	186,000	198,990	158,356
Family and community support	109,599	129,679	116,161
Police	96,168	93,070	84,220
Waste management	80,145	75,992	69,760
Water supply and distribution	84,350	58,802	55,234
Council	40,740	34,355	31,227
Bylaws enforcement	10,080	10,437	10,080
Wastewater treatment and disposal	20,800	7,389	5,421
Community and agricultural services	9,746	7,350	10,042
Disaster and emergency services	900	634	880
Fire	350	350	310
Land use planning, zoning and development	500	162	108
Cemeteries	-	-	1,092
Subdivision land and development	500	-	-
Amortization	331,251	358,077	310,651
	<u>1,959,449</u>	<u>1,834,116</u>	<u>1,728,817</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>(326,015)</u>	<u>(49,989)</u>	<u>(45,826)</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	96,985	59,688	467,934
Other capital revenue	-	-	2,600
Gain on disposal of tangible capital assets	-	-	2,150
	<u>96,985</u>	<u>59,688</u>	<u>472,684</u>
ANNUAL SURPLUS (DEFICIT)	<u>(229,030)</u>	<u>9,699</u>	<u>426,858</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>9,944,071</u>	<u>9,944,071</u>	<u>9,517,213</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 6)	<u>\$ 9,715,041</u>	<u>\$ 9,953,770</u>	<u>\$ 9,944,071</u>

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, 2022

	2022 (Budget) (Note 15)	2022 (Actual)	2021 (Actual) (Restated) (Note 16)
ANNUAL SURPLUS (DEFICIT)	\$ (229,030)	\$ 9,699	\$ 426,858
Acquisition of tangible capital assets	(25,200)	(59,688)	(563,177)
Proceeds on disposal of tangible capital assets	-	-	2,500
Amortization of tangible capital assets	331,251	358,077	310,651
Gain on disposal of tangible capital assets	-	-	(2,150)
	<u>306,051</u>	<u>298,389</u>	<u>(252,176)</u>
Use of prepaid expenses	-	542	(542)
INCREASE IN NET FINANCIAL ASSETS	77,021	308,630	174,140
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>1,809,939</u>	<u>1,809,939</u>	<u>1,635,799</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 1,886,960</u>	<u>\$ 2,118,569</u>	<u>\$ 1,809,939</u>

VILLAGE OF BRETON
Statement of Cash Flows
For The Year Ended December 31, 2022

	2022	2021 (Restated) (Note 16)
OPERATING ACTIVITIES		
Cash from operations:		
Annual surplus	\$ 9,699	\$ 426,858
Non-cash items included in annual surplus		
Amortization	358,077	310,651
Gain on disposal of tangible capital assets	-	(2,150)
	<u>358,077</u>	<u>308,501</u>
Change in non-cash working capital balances related to operations:		
Prepaid expenses	542	(542)
Receivables	(36,039)	197,598
Accounts payable and accrued liabilities	29,446	(447,639)
Deferred revenue	41,641	104,801
Deposit liabilities	600	299
	<u>45,889</u>	<u>281,375</u>
Cash flow from operating activities	<u>403,966</u>	<u>589,876</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(59,688)	(563,177)
Proceeds on sale of tangible capital assets	-	2,500
	<u>(59,688)</u>	<u>(560,677)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	344,278	29,199
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,017,532</u>	<u>1,988,333</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,361,810</u>	<u>\$ 2,017,532</u>

VILLAGE OF BRETON
Schedule of Equity in Tangible Capital Assets
For The Year Ended December 31, 2022

Schedule 1

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 8,133,590	\$ 7,881,414
Purchase of Tangible Capital Assets	59,688	563,177
Amortization of Tangible Capital Assets	(358,077)	(310,651)
Net Book Value of Tangible Capital Assets Disposed of	<u>-</u>	<u>(350)</u>
BALANCE, END OF YEAR	<u>\$ 7,835,201</u>	<u>\$ 8,133,590</u>

EQUITY IN TANGIBLE CAPITAL ASSETS IS COMPRISED OF THE FOLLOWING:

Tangible Capital Assets (net book value)	<u>\$ 7,835,201</u>	<u>\$ 8,133,590</u>
	<u>\$ 7,835,201</u>	<u>\$ 8,133,590</u>

VILLAGE OF BRETON
Schedule of Property Taxes
For The Year Ended December 31, 2022

Schedule 2

	2022 (Budget) (Note 15)	2022 (Actual)	2021 (Actual)
TAXATION			
Real property taxes	\$ 802,355	\$ 779,894	\$ 741,582
Linear property taxes	4,119	22,626	39,245
Government grants in lieu	-	-	15,238
	<u>806,474</u>	<u>802,520</u>	<u>796,065</u>
REQUISITIONS			
Alberta School Foundation requisition	159,965	159,965	156,901
Brazeau Seniors requisition	12,390	12,390	12,072
Designated Industrial Requisition	100	-	-
	<u>172,455</u>	<u>172,355</u>	<u>168,973</u>
NET MUNICIPAL TAXES	<u>\$ 634,019</u>	<u>\$ 630,165</u>	<u>\$ 627,092</u>

VILLAGE OF BRETON
Schedule of Government Transfers
For The Year Ended December 31, 2022

Schedule 3

	2022 (Budget) (Note 15)	2022 (Actual)	2021 (Actual) (Restated) (Note 16)
TRANSFERS FOR OPERATING			
Local governments	\$ 211,774	\$ 265,742	\$ 237,201
Provincial government	121,321	67,581	76,335
	<u>333,095</u>	<u>333,323</u>	<u>313,536</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>96,985</u>	<u>59,688</u>	<u>467,934</u>
	<u>96,985</u>	<u>59,688</u>	<u>467,934</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 430,080</u>	<u>\$ 393,011</u>	<u>\$ 781,470</u>

VILLAGE OF BRETON
Schedule of Segmented Information
For The Year Ended December 31, 2022

Schedule 4

	General Administration	Family and Community Support	Parks and Recreation	Roads Streets, Walks and Lighting	Utilities	All Other	Total
REVENUE							
Taxation	\$ 233,090	\$ 1,361	\$ 20,415	\$ 336,896	\$ -	\$ 38,403	\$ 630,165
Sales and user charges	947	12,085	304,572	4,095	243,659	558	565,916
Government transfers	-	100,078	11,650	31,227	-	190,368	333,323
All other	4,180	5,272	1,400	-	-	222,877	233,729
Rentals	11,356	-	1,800	-	-	7,638	20,994
	249,573	118,796	339,837	372,218	243,659	460,044	1,784,127
EXPENSES							
Materials, goods, and contracted and general services	112,804	55,853	161,695	116,768	91,881	98,894	637,895
Salaries, wages, and benefits	91,418	70,989	75,212	119,238	9,881	161,057	527,795
Utilities	7,549	-	15,529	60,455	14,260	47,032	144,825
Repairs and maintenance	3,541	-	38,722	21,307	11,198	25,053	99,821
Insurance	24,369	-	9,739	3,655	5,150	8,298	51,211
Telephone	5,546	1,352	3,817	1,365	-	2,412	14,492
	245,227	128,194	304,714	322,788	132,370	342,746	1,476,039
NET REVENUE BEFORE AMORTIZATION	4,346	(9,398)	35,123	49,430	111,289	117,298	308,088
Amortization	15,080	-	157,403	104,773	69,831	10,990	358,077
NET REVENUE	\$ (10,734)	\$ (9,398)	\$ (122,280)	\$ (55,343)	\$ 41,458	\$ 106,308	\$ (49,989)

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

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
REVENUE							
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	7,070	31,227	-	171,230	313,536
All other	2,936	603	-	-	-	173,906	177,445
Rentals	11,992	-	2,175	-	-	2,223	16,390
	251,142	111,238	340,176	368,337	225,676	386,422	1,682,991
EXPENSES							
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	71,119	437,096
Utilities	9,119	-	19,003	64,422	15,922	38,521	146,987
Repairs and maintenance	5,579	-	34,725	49,649	21,364	10,936	122,253
Insurance	11,020	-	18,830	5,338	5,950	3,733	44,871
Telephone	4,614	1,146	3,983	1,437	-	2,287	13,467
	286,093	113,298	318,242	297,723	129,311	273,499	1,418,166
NET REVENUE BEFORE AMORTIZATION	(34,951)	(2,060)	21,934	70,614	96,365	112,923	264,825
Amortization	15,080	-	106,476	108,272	69,831	10,992	310,651
NET REVENUE	\$ (50,031)	\$ (2,060)	\$ (84,542)	\$ (37,658)	\$ 26,534	\$ 101,931	\$ (45,826)

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, 2022

Schedule 5

	2022 (Budget) (Note 15)	2022 (Actual)	2021 (Actual)
REVENUE			
Membership and green fees	\$ 110,000	\$ 148,661	\$ 157,965
Cart rentals	30,000	46,681	49,378
Restaurant	26,000	28,624	29,967
Tournament fees	5,000	13,624	1,076
Merchandise	4,000	7,774	6,569
Advertising	1,500	1,170	1,235
	<u>176,500</u>	<u>246,534</u>	<u>246,190</u>
EXPENSES			
Contracted services	83,487	82,732	80,320
Salaries, wages, and benefits	76,396	69,744	74,622
All other	31,700	21,960	29,764
Repairs and maintenance	28,000	21,883	21,067
Utilities and telephone	12,000	12,624	14,357
Insurance	6,700	6,700	5,649
Fuel and oil	3,500	2,092	2,843
Advertising	1,500	794	441
	<u>243,283</u>	<u>218,529</u>	<u>229,063</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (66,783)</u>	<u>\$ 28,005</u>	<u>\$ 17,127</u>

VILLAGE OF BRETON
Notes to Financial Statements
For The Year Ended December 31, 2022

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.

VILLAGE OF BRETON
Notes to Financial Statements
For The Year Ended December 31, 2022

2. CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 1,600	\$ 1,000
Deposit accounts with financial institutions	<u>2,360,210</u>	<u>2,016,532</u>
	<u>\$ 2,361,810</u>	<u>\$ 2,017,532</u>

3. RECEIVABLES

	<u>2022</u>	<u>2021</u>
Government transfers, trade and other	\$ 296,885	\$ 302,953
Taxes	87,042	71,435
Goods and Services Tax	26,514	13,632
Utilities	<u>22,559</u>	<u>18,872</u>
	433,000	406,892
Less: Allowance for doubtful taxes	<u>-</u>	<u>(9,931)</u>
	<u>\$ 433,000</u>	<u>\$ 396,961</u>

4. DEFERRED REVENUE

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

	<u>2021</u>	<u>Receipts</u>	<u>Revenue</u>	<u>2022</u>
Municipal Sustainability Initiative	\$ 610,238	\$ 105,985	\$ (59,688)	\$ 656,535
Other	15,801	-	(4,656)	<u>11,145</u>
	<u>\$ 626,039</u>	<u>\$ 105,985</u>	<u>\$ (64,344)</u>	<u>\$ 667,680</u>

VILLAGE OF BRETON
Notes to Financial Statements
For The Year Ended December 31, 2022

5. TANGIBLE CAPITAL ASSETS

			2022			2021
			Net Book			Net Book
			Value			Value
Engineered structures						
Water systems			\$ 1,395,828			\$ 1,435,115
Roadways			1,027,507			1,118,944
Wastewater systems			514,925			537,713
			2,938,260			3,091,772
Buildings			4,295,164			4,411,725
Machinery, equipment, and furnishings			512,537			535,251
Land			61,531			61,531
Vehicles			27,709			33,311
			\$ 7,835,201			\$ 8,133,590

	Cost					Cost
	Beginning of	Additions	Disposals	Write-downs		End of
	Year					Year
Engineered structures						
Roadways	\$ 3,797,178	\$ -	\$ -	-		\$ 3,797,178
Water systems	2,221,561	-	-	-		2,221,561
Wastewater systems	1,361,584	-	-	-		1,361,584
	7,380,323	-	-	-		7,380,323
Buildings	6,261,607	36,066	-	-		6,297,673
Machinery, equipment, and furnishings	1,168,086	23,622	-	-		1,191,708
Land	61,531	-	-	-		61,531
Vehicles	91,019	-	-	-		91,019
	\$ 14,962,566	\$ 59,688	\$ -	-		\$ 15,022,254

	Accumulated					Accumulated
	Amortization	Current	Disposals	Write-downs		Amortization
	Beginning of	Amortization				End of
	Year					Year
Engineered structures						
Roadways	\$ 2,678,234	\$ 91,437	\$ -	-		\$ 2,769,671
Wastewater systems	823,871	22,788	-	-		846,659
Water systems	786,446	39,287	-	-		825,733
	4,288,551	153,512	-	-		4,442,063
Buildings	1,849,882	152,627	-	-		2,002,509
Machinery, equipment, and furnishings	632,835	46,336	-	-		679,171
Land	-	-	-	-		-
Vehicles	57,708	5,602	-	-		63,310
	\$ 6,828,976	\$ 358,077	\$ -	-		\$ 7,187,053

VILLAGE OF BRETON
Notes to Financial Statements
For The Year Ended December 31, 2022

6. ACCUMULATED SURPLUS

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 1,300,813	\$ 981,020
Restricted surplus		
Reserves (Note 7)	817,756	829,461
Equity in tangible capital assets (Schedule 1)	<u>7,835,201</u>	<u>8,133,590</u>
	<u>\$ 9,953,770</u>	<u>\$ 9,944,071</u>

7. RESERVES

	<u>2022</u>	<u>2021</u>
Land and subdivision development	\$ 286,338	\$ 286,338
Common services contingency	93,188	93,188
Community Hall	80,000	80,000
Mill rate stabilization	55,042	55,042
Recreation	53,230	53,230
Water	44,488	44,488
Facilities	43,515	43,515
Roads and Streets	43,424	43,424
Common services equipment	41,053	41,053
Water and wastewater contingency	24,128	24,128
Cemetery	21,245	21,245
Public Works	20,001	20,001
Economic development	10,000	10,000
Library	1,500	13,205
Administration	604	604
	<u>\$ 817,756</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:

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 2,676,191	\$ 2,524,487
Total debt	-	-
Amount of total debt limit unused	<u>\$ 2,676,191</u>	<u>\$ 2,524,487</u>
Debt servicing limit	\$ 446,032	\$ 420,748
Debt servicing	-	-
Amount of debt servicing limit unused	<u>\$ 446,032</u>	<u>\$ 420,748</u>

VILLAGE OF BRETON
Notes to Financial Statements
For The Year Ended December 31, 2022

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.

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.

11. UTILITY FRANCHISE AGREEMENTS

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

	<u>2022</u>	<u>2021</u>
Fortis Alberta Inc.	\$ 110,496	\$ 108,005
Atco Gas	<u>36,762</u>	<u>30,047</u>
	<u>\$ 147,258</u>	<u>\$ 138,052</u>

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.

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).

VILLAGE OF BRETON
Notes to Financial Statements
For The Year Ended December 31, 2022

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	
			2022	2021
Mayor				
Tornack	4,800	-	4,800	800
Bohning	-	-	-	3,550
Councillors				
Barker	4,475	-	4,475	750
Sheaves	4,225	-	4,225	700
Barrett	4,200	-	4,200	700
Parkyn	4,200	-	4,200	700
Simpson	-	-	-	3,600
Young	-	-	-	3,600
Plaquin	-	-	-	3,050
Pritchard	-	-	-	3,850
	\$ 13,475	\$ -	\$ 21,900	\$ 21,300
Chief Administrative Officer	\$ 49,133	\$ -	\$ 49,133	\$ 113,584

- (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, 2022

15. BUDGET

The 2022 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on May 11, 2022. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	<u>2022 (Budget)</u>	<u>2022 (Actual)</u>
Annual surplus (deficit)	\$ (229,030)	\$ 9,699
Add back:		
Net transfers to (from) reserves	(1,500)	11,705
Deduct:		
Purchase of tangible capital assets	<u>(25,200)</u>	<u>(59,688)</u>
Adjusted annual surplus (deficit)	<u>\$ (255,730)</u>	<u>\$ (38,284)</u>

16. RESTATEMENT

During 2022 it was discovered that 2021 recreation cost-sharing revenue that related to the 2021 fiscal year was not recorded.

This has been corrected retrospectively and comparative figures have been restated.

The effect of this correction has resulted in an increase in 2021 receivables and government transfers for operating revenue in the amount of \$46,668.

17. COMPARATIVE FIGURES

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

18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
