

VILLAGE OF BEISEKER
Financial Statements
Year Ended December 31, 2022

VILLAGE OF BEISEKER
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For the Year Ended December 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Beiseker 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 non-consolidated financial statements present fairly the Village's financial position as at December 31, 2022 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 non-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 its Audit Committee. This committee meets regularly with management and external auditors 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 Accountants, 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.



Chief Administrative Officer



Mayor

Beiseker, Alberta
April 24, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Beiseker

Opinion

We have audited the financial statements of Village of Beiseker (the "Village"), which comprise the statement of financial position as at December 31, 2022, and the results of its operations and accumulated surplus, change in net financial debt 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 as at December 31, 2022, and the results of its operations, change in its net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Report on Other Legal and Regulatory Requirements

● Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 13.

(continues)

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

● Supplementary Accounting Principles and Standards Regulation:

In accordance with Alberta Regulation 313-2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 17.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Johnson.

Vista Accounting Professional Corporation

Calgary, Alberta
April 24, 2023

VISTA ACCOUNTING PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL
ACCOUNTANT

VILLAGE OF BEISEKER
Statement of Financial Position
December 31, 2022

FINANCIAL ASSETS

Cash	\$ 342,525	\$ 443,117
Trade and other receivables <i>(Note 3)</i>	221,482	196,444
Taxes receivables <i>(Note 4)</i>	194,135	212,110
Land inventory held for resale	5,788	5,788
Other financial asset <i>(Note 5)</i>	4,871	4,641
Prepaid expenses	51,840	9,422
	820,641	871,522

LIABILITIES

Accounts payable and accrued liabilities <i>(Notes 7, 19)</i>	88,914	80,424
Deposit liabilities	-	100
Deferred revenue <i>(Note 8)</i>	179,952	135,052
Long term debt <i>(Notes 10, 11, 12)</i>	1,216,644	1,197,678
	1,485,510	1,413,254

NET FINANCIAL ASSETS (DEBT)

(664,869) (541,732)

NON-FINANCIAL ASSETS

Tangible capital assets <i>(Schedule 2) (Note 13)</i>	10,792,264	10,776,497
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ACCUMULATED SURPLUS *(Schedule 1)*

\$ 10,127,395 \$ 10,234,765

CONTINGENT LIABILITY *(Note 17)*

COMMITMENTS *(Note 18)*

Approved on behalf of Council

_____ *Mayor*

_____ *Chief Administrative Officer*

VILLAGE OF BEISEKER
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2022

	Budget	2022	2021
REVENUES			
Net municipal taxes (Schedule 3)	\$ 1,105,459	\$ 1,113,723	\$ 950,354
User fees and sales of goods	506,460	539,683	505,833
Rentals	112,000	124,173	117,495
Government transfers for operating (Schedule 4)	77,773	85,460	73,691
Other revenue	64,350	69,530	17,106
Franchise	82,500	62,652	52,059
Licenses and permits	66,960	56,394	72,020
Penalties and costs of taxes	36,950	39,907	41,700
Interest and investment income	1,850	9,127	2,429
	2,054,302	2,100,649	1,832,687
EXPENSES			
General Government			
Council and Other Legislative	47,375	44,899	42,804
General Administration	331,930	307,103	265,481
Protective Services			
By-law Enforcement	76,073	74,593	52,850
Police	6,386	4,632	5,506
Fire	128,062	136,038	78,360
Transportation			
Roads, streets, walks and lighting	449,411	594,177	563,107
Airport	15,268	47,796	47,617
Planning and development			
Land Use Planning, Zoning and Development	14,315	14,365	11,545
Economic/Agricultural Development	3,111	3,704	2,131
Subdivision Land and Development	-	1,393	-
Other Planning and Development	11,690	5,159	31,288
Public health and welfare			
Family and Community Support Services	49,017	45,874	42,933
Cemeteries and Crematoriums	-	380	-
Recreation and culture			
Parks and Recreation	169,130	161,914	129,086
Libraries, Museums, Halls	102,058	145,303	130,639
Environmental use and protection			
Water Supply and Distribution	343,098	378,442	369,157
Wastewater Treatment and Disposal (Note 19)	105,693	156,249	151,874
Waste management	156,736	129,935	127,391
	2,009,353	2,251,956	2,051,769

VILLAGE OF BEISEKER
Statement of Operations and Accumulated Surplus (continued)
Year Ended December 31, 2022

	Budget	2022	2021
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	44,949	(151,307)	(219,082)
OTHER INCOME			
Government transfers for capital (Schedule 4)	-	43,937	462,930
EXCESS(SHORTFALL) OF REVENUE OVER EXPENSES	44,949	(107,370)	243,848
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	-	10,234,765	9,990,917
ACCUMULATED SURPLUS - END OF YEAR	\$ 44,949	\$ 10,127,395	\$ 10,234,765

VILLAGE OF BEISEKER
Consolidated Statement of Change in Net Financial Debt
For the Year Ended December 31, 2022

	Budget 2022	Actual 2022	Actual 2021
EXCESS OF REVENUE OVER EXPENSES	\$ 44,949	\$ (107,370)	\$ 243,848
Amortization of tangible capital assets	-	520,885	502,993
Acquisition of tangible capital assets (Schedule 2)	-	(536,652)	(592,092)
	-	(15,767)	(89,099)
DECREASE (INCREASE) IN NET FINANCIAL DEBT	44,949	(123,137)	154,749
NET FINANCIAL DEBT - BEGINNING OF YEAR	(541,732)	(541,732)	(696,481)
NET FINANCIAL DEBT - END OF YEAR	\$ (496,783)	\$ (664,869)	\$ (541,732)

VILLAGE OF BEISEKER
Statement of Cash Flows
For the Year Ended December 31, 2022

	2022	2021
OPERATING		
Excess of revenue over expenses	\$ (107,370)	\$ 243,848
Item not affecting cash:		
Amortization of property, plant and equipment	520,885	502,993
	<u>413,515</u>	<u>746,841</u>
Changes in non-cash working capital:		
Decrease in taxes receivables	17,975	20,258
Decrease (increase) in trade and other receivables	(25,038)	283,310
Increase in other financial asset	(230)	(135)
Increase in prepaid expenses	(42,418)	(9,422)
Increase (decrease) in accounts payable and accrued liabilities	8,490	(644,503)
Increase in deferred revenue	44,900	67,746
Decrease in other long term liabilities	(100)	(10,367)
	3,579	(293,113)
Cash flow from operating transactions	<u>417,094</u>	<u>453,728</u>
CAPITAL		
Purchase of property, plant and equipment	(536,652)	(592,092)
Cash flow used by capital transactions	<u>(536,652)</u>	<u>(592,092)</u>
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	<u>(44,800)</u>	<u>(57,379)</u>
Cash flow from (used by) investing transactions	<u>(44,800)</u>	<u>(57,379)</u>
FINANCING		
Long term debt issued	137,821	-
Long term debt repaid	(118,855)	(148,039)
	<u>18,966</u>	<u>(148,039)</u>
CHANGE IN CASH DURING THE YEAR	(145,392)	(343,782)
CASH, BEGINNING OF YEAR	<u>307,965</u>	<u>651,747</u>
CASH, END OF YEAR	<u>\$ 162,573</u>	<u>\$ 307,965</u>

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

1. NATURE OF ORGANIZATION

The Village of Beiseker (the "Village") is a Municipality in the Province of Alberta. The financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village are as follows:

The Village is exempt from income taxation under Section 149 of the Canada Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Beiseker 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 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.

Taxes levied also includes requisitions for educational, health care, 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.

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VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

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

Basis of presentation

The financial statements reflect the assets, liabilities, revenues and expenses, and changes in net financial assets and cash flows of the Village.

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards and 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. Revenue is recognised 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 public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in a number of areas including useful lives of tangible capital assets and the fair value of contributed tangible capital assets. Estimates are also used for various liabilities, including landfill closure and post-closure costs. Estimates are based on the best information available at the time of preparation of the financial statements and are periodically reviewed and any adjustments necessary are reflected in the period in which they become known. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Cash and temporary investments

Cash includes cash and temporary investments. Temporary investments are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

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VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

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

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

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.

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VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

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

Revenue recognition

Service fees and sales of goods from external sources are recognized as revenue in the period in which the services is delivered or in which the transactions or events occurred that gave rise to the revenue.

The Village follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions specified for capital purposes are recorded as unamortized capital allocations. These unamortized capital allocations are taken into income as the related capital costs are amortized.

Government transfers, contributions and other amounts received from third parties pursuant to legislation, regulation or agreement may not be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenues from these sources are recognized in the period in which the related expenses are incurred, services performed or capital assets are amortized.

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 a site is not in productive use 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.

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VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

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

Tangible capital assets

Purchased 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 over their estimated useful lives on a straight-line basis at the following rates:

Land improvements	15 - 25 years
Buildings	50 years
Equipment	2 - 30 years
Motor vehicles	5 - 10 years

Half 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.

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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

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 incurred.

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

3. TRADE AND OTHER RECEIVABLES

	2022	2021
<u>Trade and other receivables</u>		
Water and sewer receivables	\$ 78,773	\$ 100,381
Grants receivable	112,000	62,000
Trade accounts receivables	23,990	15,491
Goods and Services Tax receivable	6,719	18,572
	\$ 221,482	\$ 196,444

4. TAXES RECEIVABLE

	2022	2021
<u>Taxes receivable</u>		
Current taxes	\$ 167,101	\$ 162,366
Arrears taxes	27,034	49,744
	\$ 194,135	\$ 212,110

5. OTHER FINANCIAL ASSET

	2022	2021
<u>Other financial asset</u>		
Mountain View Credit Union shares	\$ 4,871	\$ 4,641

6. BANK INDEBTEDNESS

The Village has an authorized overdraft limit of \$600,000 to finance day to day operating requirements and is payable on demand bearing interest of the Mountain View Credit Union's prime rate with an effective rate of 6.45%, of which \$600,000 remains unused as of December 31, 2022.

Bank loans are issued on the credit and security of the Village of Beiseker at large.

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
<u>Accounts payable and accrued liabilities</u>		
Trade accounts payable	\$ 22,138	\$ 29,647
Accrued liabilities	19,999	20,000
Employee benefit obligations	25,592	25,777
Other accounts payable	21,185	5,000
	\$ 88,914	\$ 80,424

8. DEFERRED REVENUE

	2022	2021
Municipal Sustainability Initiative	\$ 179,730	\$ 134,811
Canada Community Building Fund	-	-
Interest	222	241
	\$ 179,952	\$ 135,052

Municipal Sustainability Initiative

The Municipal Sustainability Initiative ('MSI') is a funding program aimed at providing financial support for critical core and community infrastructure projects and includes incentives to encourage collaboration and cooperation between neighbouring municipalities. This population-based funding program includes operating, capital and affordable housing components. The balance at year-end represents the unspent portion of the funding receivable to date plus interest earned.

A portion of the unexpended funds held in deferred revenue are supported by cash and temporary investments as noted in Note 2.

Canada Community Building Fund

The Canada Community Building Fund provides predictable, long term, stable funding for Canadian municipalities to help them build and revitalize their local public infrastructure while creating jobs and long term prosperity. The use of these funds is intended to cover capital costs only and may not be used for maintenance costs, operating costs, debt reduction, or replacement of existing municipal infrastructure expenditures. During the year \$50,000 was spent on projects and recognized as revenue. This amount was not received before year end but is expected to be received in 2023 and has been setup as a receivable. The funds were used from the MSI funds until the Canada Community Building funds are received.

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

9. CONTAMINATED SITES LIABILITY

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities in 2022 (2021 \$nil) as a result of this standard.

10. LONG TERM DEBT

	2022	2021
Bank loans - Operating	\$ 78,811	\$ 109,230
Bank loans - Restricted	110,240	127,107
Bank loans - Capital	1,025,784	945,726
Capital leases	1,809	15,615
	\$ 1,216,644	\$ 1,197,678

Bank loans are repayable to the Mountain View Credit Union and bears interest at 1.99% to 2.74% per annum and mature in 2027.

The capital leases for equipment and vehicles mature in 2023. The future minimum payments total \$1,809.

Bank loans are issued on the credit and security of the Village of Beiseker at large.

11. LONG TERM DEBT PRINCIPAL AND INTEREST REPAYMENTS

	Principal	Interest	Total
2023	\$ 136,726	\$ 29,662	\$ 166,388
2024	149,316	26,912	176,228
2025	137,186	23,279	160,465
2026	89,641	20,387	110,028
Thereafter	703,775	168,870	872,645
	\$ 1,216,644	\$ 269,110	\$ 1,485,754

The current portion of long term debt amounts to \$136,726 (2021 - \$117,659).

Interest on long term debt amounted to \$30,249.36 (2021 - \$10,182).

The Village's total cash payments for interest in 2022 were \$30,249.36 (2021 - \$10,182).

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

12. DEBT AND DEBT SERVICE LIMITS

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

	2022	2021
Total debt limit	\$ 3,216,879	\$ 2,696,711
Total debt (Note 6, 11, 12)	(1,216,644)	(1,197,676)
Amount of surplus debt limit	2,000,235	1,499,035
Debt servicing limit	536,147	449,452
Debt servicing	(166,388)	(132,389)
Amount of debt servicing limit unused	369,759	317,063

The debt limit is calculated at 1.5 times revenue of the municipality, as defined in Alberta regulation 255/00, and the debt servicing 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 which could be at financial risk if further debt is acquired. The calculation alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

13. TANGIBLE CAPITAL ASSETS

	2022	2021
Land	\$ 249,000	\$ 249,000
Land improvements	19,480	23,392
Buildings	1,184,774	1,255,353
Engineered structure		
Roads and sidewalks	5,316,032	5,569,776
Water distribution system	1,248,065	1,019,377
Wastewater treatment system and storm sewers	2,198,814	2,180,459
Other machinery and equipment	326,391	284,511
Motor vehicles	249,708	194,629
	\$ 10,792,264	\$ 10,776,497

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible capital assets (Schedule 2)	\$ 21,964,954	\$ 21,426,664
Accumulated amortization (Schedule 2)	(11,172,690)	(10,650,167)
Long term debt (Note 12)	(1,216,644)	(961,341)
	\$ 9,575,620	\$ 9,815,156

15. ACCUMULATED SURPLUS

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

	2022	2021
Unrestricted surplus	\$ 424,319	\$ 288,153
Restricted surplus		
Enforcement reserves	1,800	6,800
Wastewater	4,318	4,318
C.P.R. Station	200	200
Sewer system	40,000	40,000
Firefighting service	4,018	4,018
Garbage	4,000	4,000
Common service	20,000	20,000
Cash-in-lieu	18,687	18,687
Policing	18,433	18,433
Water servicing	15,000	15,000
E.D. Reserves	1,000	-
Equity in tangible capital assets (Note 14)	9,575,620	9,815,156
	\$ 10,127,395	\$ 10,234,765

VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

16. SALARY AND BENEFITS DISCLOSURE

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

	Salary	Benefits and Allowances	2022	2021
Mayor and Councilors				
Mayor Wise	\$ 7,748	\$ -	\$ 7,748	\$ 7,498
Councilor Heunset	-	-	-	4,657
Councilor King	6,827	-	6,827	6,827
Councilor Lemky	-	-	-	5,690
Councilor Ursu	7,827	-	7,827	6,827
Councilor Spurgeon	8,027	-	8,027	1,738
Councilor Snyder	6,827	-	6,827	1,138
Chief Administrative Officer	75,812	2,312	78,124	76,319
	<u>\$ 113,068</u>	<u>\$ 2,312</u>	<u>\$ 115,380</u>	<u>\$ 110,694</u>

1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

2) Employer's share of all employee benefits and contributions 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.

17. CONTINGENT LIABILITY

The Village is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). 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 translation in the year the losses are determined.

18. COMMITMENTS

The Village has operating leases for vehicles and equipment. The leases require monthly payments and expire by April 1, 2023.

Future minimum lease payments as at December 31, 2022, are as follows:

2023	<u>\$ 1,809</u>
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VILLAGE OF BEISEKER
Notes to Financial Statements
Year Ended December 31, 2022

19. RELATED PARTY TRANSACTIONS

The Aqua 7 Regional Water Commission has been identified as a related party. The village of Beiseker 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 2022 were \$230,206 (2021 - \$228,649).

Amount payable to the Commission at December 31, 2022 is \$17,624 (2021 - \$18,470).

20. FINANCIAL INSTRUMENTS

The Village's financial instruments consists of cash and temporary investments, taxes, trade and other receivables, other financial asset, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, and long term debt. It is management's opinion that the commission is not exposed to significant currency risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

(a) Credit risk

Credit risk arises from the potential that taxpayers and entities to which the Village provides services may experience financial difficulty and be unable to fulfill its obligations. The organization is exposed to credit risk with respect to taxes receivables and trade and other receivables. The organization has a significant number and diversity of taxpayers and customers which minimizes the concentration of credit risk.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Village is exposed to interest rate risk primarily through its fixed interest rate through the bank loan financing with Mountain View Credit Union. The Village's exposure to interest rate risk is negligible.

21. BUDGET FIGURES

Budget figures are included for information purposes only and are not audited.

22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

VILLAGE OF BEISEKER
Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2022 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
Balance, beginning of year	\$ 288,153	\$ 131,456	\$ 9,815,156	\$ 10,234,765	\$ 9,990,917
Excess (shortfall) of revenue over expenses	(107,370)	-	-	(107,370)	243,848
Transfer from restricted funds	4,000	(4,000)	-	-	-
Current year funds used for tangible capital assets	(300,315)	-	300,315	-	-
Disposal of tangible capital assets	-	-	-	-	-
Annual amortization expense	520,885	-	(520,885)	-	-
Capital long term debt repaid	(118,855)	-	118,855	-	-
Capital long term debt borrowed	137,821	-	(137,821)	-	-
Balance, end of year	\$ 424,319	\$ 127,456	\$ 9,575,620	\$ 10,127,395	\$ 10,234,765

VILLAGE OF BEISEKER
Schedule of Tangible Capital Assets
(Schedule 2)
Year Ended December 31, 2022

	2022		2021						
	Land	Land Improvements	Buildings	Engined Structures	Machinery and Equipment	Vehicles			
COST:									
BALANCE, BEGINNING OF YEAR	\$ -	\$ 249,000	\$ 114,127	\$ 3,479,819	\$ 16,407,934	\$ 715,578	\$ 461,844	\$ 21,428,302	\$ 20,836,211
Acquisition of tangible capital assets	-	-	-	-	379,030	72,715	84,907	536,652	592,091
COST: total	\$ -	\$ 249,000	\$ 114,127	\$ 3,479,819	\$ 16,786,964	\$ 788,293	\$ 546,751	\$ 21,964,954	\$ 21,428,302
ACCUMULATED AMORTIZATION									
BALANCE, BEGINNING OF YEAR	\$ -	\$ -	\$ 90,735	\$ 2,224,466	\$ 7,638,322	\$ 431,066	\$ 267,216	\$ 10,651,805	\$ 10,148,812
Annual amortization Accumulated amortization on disposals	-	-	3,912	70,579	385,731	30,836	29,827	520,885	502,993
ACCUMULATED AMORTIZATION total	\$ -	\$ -	\$ 94,647	\$ 2,295,045	\$ 8,024,053	\$ 461,902	\$ 297,043	\$ 11,172,690	\$ 10,651,805
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ -	\$ 249,000	\$ 19,480	\$ 1,184,774	\$ 8,762,911	\$ 326,391	\$ 249,708	\$ 10,792,264	\$ 10,776,497

(continues)

VILLAGE OF BEISEKER
Schedule of Tangible Capital Assets (continued)
(Schedule 2)
Year Ended December 31, 2022

	2022	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2022	2021
2021 NET BOOK VALUE OF CAPITAL TANGIBLE CAPITAL ASSETS	\$ -	\$ 249,000	\$ 23,392	\$ 1,255,353	\$ 8,769,612	\$ 284,512	\$ 194,628	\$ 10,776,497	\$ -

VILLAGE OF BEISEKER
Schedule of Property and Other Taxes
(Schedule 3)
Year Ended December 31, 2022

	Budget 2022	Total 2022	Total 2021
TAXATION			
Real Property Taxes	\$ 1,320,304	\$ 1,329,274	\$ 1,178,595
Linear property taxes	59,967	60,467	41,351
Government grants in place of property taxes	13,025	11,819	9,864
Special assessments and local improvement taxes	2,921	2,921	2,395
	<u>1,396,217</u>	<u>1,404,481</u>	<u>1,232,205</u>
REQUISITIONS			
Alberta School Foundation Fund	285,570	285,570	276,628
Rocky View Seniors Foundation Fund	5,188	5,188	5,222
	<u>290,758</u>	<u>290,758</u>	<u>281,850</u>
NET MUNICIPAL TAXES	<u>\$ 1,105,459</u>	<u>\$ 1,113,723</u>	<u>\$ 950,355</u>

VILLAGE OF BEISEKER
Schedule of Government Transfers
(Schedule 4)
Year Ended December 31, 2022

	Budget 2022	Total 2022	Total 2021
TRANSFERS FOR OPERATING			
Provincial Government	\$ 47,773	\$ 47,001	\$ 48,311
Other Local Governments	27,500	20,000	22,500
Federal Government	2,500	18,459	2,880
	77,773	85,460	73,691
TRANSFERS FOR CAPITAL			
Provincial Government	-	43,937	462,930
INCOME FROM OPERATIONS	\$ 77,773	\$ 129,397	\$ 536,621

VILLAGE OF BEISEKER
Schedule of Consolidated Expenses by Object
(Schedule 5)
For the Year Ended December 31, 2022

	Budget 2022	Total 2022	Total 2021
CONSOLIDATED EXPENSES BY OBJECT			
Contracted and general services <i>(Note 19)</i>	\$ 950,885	\$ 834,038	\$ 771,959
Salaries, wages and benefits <i>(Note 16)</i>	580,721	564,063	536,623
Amortization of tangible capital assets	124,511	520,885	502,993
Materials, goods, supplies and utilities	301,339	270,916	191,566
Interest on capital long term debt	24,890	25,017	20,770
Transfers to local boards and agencies	13,512	13,512	13,456
Other expenses	-	8,931	1,181
Bank charges and short term interest	6,900	8,095	7,474
Interest on operation long term debt	6,595	6,499	5,747
	<u>\$ 2,009,353</u>	<u>\$ 2,251,956</u>	<u>\$ 2,051,769</u>

VILLAGE OF BEISEKER
Schedule of Segmented Disclosure
(Schedule 6)
Year Ended December 31, 2022

	General Government	Protective Services	Transportation Services	Planning and Development	Public Health and Welfare	Recreation and Culture	Environmental Services	2022
REVENUE								
Net municipal property taxes	\$ 1,113,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,113,723
User fees and sales of goods	-	38,643	-	-	681	-	-	539,683
Government transfers for operating	18,995	15,809	4,988	-	23,018	22,650	-	85,460
Franchise and concession contracts	62,652	-	-	-	-	-	-	62,652
Penalties and costs of taxes	36,684	-	-	-	-	-	-	39,907
Other revenue	6,278	40,000	15,602	2,600	-	5,050	-	69,530
Investment income	9,127	-	-	-	-	-	-	9,127
Licenses and permits	7,850	43,969	-	4,575	-	-	-	56,394
Rentals	-	-	32,500	-	-	91,673	-	124,173
REVENUE total	\$ 1,255,309	\$ 138,421	\$ 53,090	\$ 7,175	\$ 23,699	\$ 119,373	\$ 503,582	\$ 2,100,649
EXPENSES								
Salaries, wages and benefits	\$ 182,258	\$ 1,186	\$ 122,012	\$ 14,567	\$ 9,637	\$ 82,766	\$ 151,637	\$ 564,063
Contracted and general services	135,697	119,252	76,799	7,878	29,840	115,877	348,695	834,038
Materials, goods and utilities	12,370	67,947	116,762	1,904	-	39,159	32,774	270,916
Transfers to local boards and agencies	-	-	-	-	-	13,512	-	13,512
Bank charges and short-term interest	6,407	-	1,688	-	-	-	-	8,095
Interest on capital long-term debt	-	-	24,363	272	-	-	-	25,017
Interest on operation long-term debt	4,750	-	-	-	-	-	1,749	6,499
Other Expenses	8,730	-	-	-	-	-	201	8,931
EXPENSES total	\$ 350,212	\$ 188,385	\$ 341,624	\$ 24,621	\$ 39,477	\$ 251,314	\$ 535,438	\$ 1,731,071
NET REVENUE, BEFORE AMORTIZATION AND OTHER	\$ 905,097	\$ (49,964)	\$ (288,534)	\$ (17,446)	\$ (15,778)	\$ (131,941)	\$ (31,856)	\$ 369,578
Capital government transfers	-	-	43,937	-	-	-	-	43,937
Amortization expense	(1,790)	(26,878)	(300,349)	-	(6,777)	(55,903)	(129,188)	(520,885)

(continues)

VILLAGE OF BEISEKER
Schedule of Segmented Disclosure (continued)
(Schedule 6)
Year Ended December 31, 2022

	General Government	Protective Services	Transportation Services	Planning and Development	Public Health and Welfare	Recreation and Culture	Environmental Services	2022
Net Revenue	\$ 903,307	\$ (76,842)	\$ (344,946)	\$ (17,446)	\$ (22,555)	\$ (187,844)	\$ (161,044)	\$ (107,370)