

TOWN OF BRUDERHEIM
Financial Statements
For The Year Ended December 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Town of Bruderheim

Qualified Opinion

We have audited the financial statements of Town of Bruderheim (the Town), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

PS 3280 Asset Retirement Obligations is effective for fiscal years beginning on or after April 1, 2022. This standard addresses the accounting for legal obligations associated with the retirement of tangible capital assets. We were unable to obtain sufficient appropriate audit evidence about whether the Town has any asset retirement obligations as the Town has not undertaken the required work to determine whether the Town has any asset retirement obligations.

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 Town 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Town'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 Town'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 auditor's report. However, future events or conditions may cause the Town 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.

METRIX GROUP LLP

Chartered Accountants

Edmonton, Alberta
April 16, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To His Worship the Mayor and Members of Council of the Town of Bruderheim

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Town Council to express an opinion on the Town's financial statements.

Phyllis Forsyth
Chief Administrative Officer

TOWN OF BRUDERHEIM
Statement of Financial Position
As At December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 925,721	\$ 3,726,181
Receivables	1,515,824	1,046,767
Land held for resale	3,255	3,255
	<u>2,444,800</u>	<u>4,776,203</u>
LIABILITIES		
Accounts payable and accrued liabilities	561,720	790,396
Deposit liabilities	42,290	48,088
Deferred revenue <i>(Note 4)</i>	274,806	2,310,054
Long-term debt <i>(Note 5)</i>	1,142,041	1,196,646
	<u>2,020,857</u>	<u>4,345,184</u>
NET FINANCIAL ASSETS	<u>423,943</u>	<u>431,019</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 7)</i>	16,718,587	13,496,168
Inventory	6,480	1,800
Prepaid expenses	71,646	16,169
	<u>16,796,713</u>	<u>13,514,137</u>
ACCUMULATED SURPLUS <i>(Note 8)</i>	<u>\$ 17,220,656</u>	<u>\$ 13,945,156</u>

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

TOWN OF BRUDERHEIM
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2024

	2024 (Budget) (Note 15)	2024 (Actual)	2023 (Actual)
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 1,522,291	\$ 1,524,385	\$ 1,466,575
Sales and user charges (Schedule 4)	887,738	889,153	814,900
Government transfers for operating (Schedule 3)	233,700	328,907	560,771
Rentals	176,200	187,200	163,274
Interest	60,000	127,640	86,491
Franchise and concession contracts (Note 15)	125,000	116,165	94,202
Penalties and costs on taxes	131,000	93,309	84,757
Other	16,550	25,466	23,144
Licenses and permits	8,700	9,080	8,581
Fines	2,000	803	2,360
	<u>3,163,179</u>	<u>3,302,108</u>	<u>3,305,055</u>
EXPENSES			
General administration	573,765	594,787	706,392
Parks and recreation	615,680	585,562	460,638
Water supply and distribution	407,789	351,415	294,297
Roads, streets, walks and lighting	353,629	345,234	421,426
Common services	264,688	272,955	186,927
Waste management	227,191	224,697	198,367
Land use planning, zoning and development	160,247	156,376	197,933
Waste water treatment and disposal	156,319	109,053	200,805
Legislative	103,786	92,375	79,532
Bylaw enforcement and policing	95,100	87,053	85,152
Fire	72,639	63,707	74,558
Disaster and emergency measures	41,750	41,596	8,633
Library	20,480	20,399	20,038
Family and community support	9,500	9,446	9,344
Amortization	495,780	567,348	495,780
	<u>3,598,343</u>	<u>3,522,003</u>	<u>3,439,822</u>
ANNUAL OPERATING SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>(435,164)</u>	<u>(219,895)</u>	<u>(134,767)</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	689,994	3,495,395	2,023,359
Donations for tangible capital assets	-	-	171,921
Gain on disposal of tangible capital assets	-	-	13,801
	<u>689,994</u>	<u>3,495,395</u>	<u>2,209,081</u>
ANNUAL SURPLUS	254,830	3,275,500	2,074,314
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>13,945,156</u>	<u>13,945,156</u>	<u>11,870,842</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 8)	<u>\$ 14,199,986</u>	<u>\$ 17,220,656</u>	<u>\$ 13,945,156</u>

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

TOWN OF BRUDERHEIM
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2024

	2024 (Budget) (Note 15)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS	\$ 254,830	\$ 3,275,500	\$ 2,074,314
Acquisition of tangible capital assets	(926,938)	(3,789,767)	(2,215,412)
Amortization of tangible capital assets	495,780	567,348	495,780
Proceeds on disposal of tangible capital assets	-	-	21,069
Loss on sale of tangible capital assets	-	-	(13,801)
	(176,328)	53,081	361,950
(Acquisition) use of supplies inventory	-	(4,680)	713
(Acquisition) use of prepaid expenses	-	(55,477)	(6,623)
(INCREASE) DECREASE IN NET FINANCIAL ASSETS	(176,328)	(7,076)	356,040
NET FINANCIAL ASSETS, BEGINNING OF YEAR	431,019	431,019	74,979
NET FINANCIAL ASSETS, END OF YEAR	\$ 254,691	\$ 423,943	\$ 431,019

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

TOWN OF BRUDERHEIM
Statement of Cash Flows
For The Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 3,275,500	\$ 2,074,314
Non-cash item not included in annual surplus:		
Amortization	567,348	495,780
Gain on disposal of tangible capital assets	-	(13,801)
	<u>3,842,848</u>	<u>2,556,293</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(469,057)	1,063,903
Accounts payable and accrued liabilities	(228,674)	493,458
Deferred revenue	(2,035,247)	279,993
Deposit liabilities	(5,801)	650
Inventory	(4,680)	713
Prepaid expenses	(55,477)	(6,620)
	<u>(2,798,936)</u>	<u>1,832,097</u>
Cash flow from operating activities	<u>1,043,912</u>	<u>4,388,390</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,789,767)	(2,215,412)
Proceeds on sale of tangible capital assets	-	21,069
Cash flow used by capital activities	<u>(3,789,767)</u>	<u>(2,194,343)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(54,605)	(52,932)
INCREASE (DECREASE) IN CASH FLOW	(2,800,460)	2,141,115
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,726,181	1,585,066
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 925,721	\$ 3,726,181

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

TOWN OF BRUDERHEIM**Schedule of Equity in Tangible Capital Assets****(Schedule 1)****For the Year Ended December 31, 2024**

	<u>2024</u>	<u>2023</u>
BALANCE, BEGINNING OF YEAR	\$ 12,299,522	\$ 10,534,224
Acquisition of tangible capital assets	3,789,767	2,215,412
Amortization of tangible capital assets	(567,348)	(495,780)
Repayment of capital long-term debt	54,605	52,932
Net book value of tangible capital assets disposed of	<u>-</u>	<u>(7,266)</u>
BALANCE, END OF YEAR	<u>\$ 15,576,546</u>	<u>\$ 12,299,522</u>
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 16,718,587	\$ 13,496,168
Long-term capital debt	<u>(1,142,041)</u>	<u>(1,196,646)</u>
	<u>\$ 15,576,546</u>	<u>\$ 12,299,522</u>

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

TOWN OF BRUDERHEIM**Schedule of Net Taxes Available for Municipal Purposes****(Schedule 2)****For the Year Ended December 31, 2024**

	2024 (Budget) (Note 15)	2024 (Actual)	2023 (Actual)
TAXATION	\$ 2,053,890	\$ 2,055,984	\$ 1,976,935
REQUISITIONS			
Alberta School Foundation Fund	(434,349)	(434,349)	(422,698)
County of Lamont Foundation	(97,250)	(97,250)	(87,662)
	(531,599)	(531,599)	(510,360)
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	\$ 1,522,291	\$ 1,524,385	\$ 1,466,575

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

TOWN OF BRUDERHEIM
Schedule of Government Transfers
For the Year Ended December 31, 2024

(Schedule 3)

	2024 (Budget) (Note 15)	2024 (Actual)	2023 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 118,200	\$ 212,503	\$ 518,086
Local governments	115,500	116,404	42,685
	233,700	328,907	560,771
TRANSFERS FOR CAPITAL			
Provincial government	689,994	3,495,395	2,023,359
TOTAL GOVERNMENT TRANSFERS	\$ 923,694	\$ 3,824,302	\$ 2,584,130

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

TOWN OF BRUDERHEIM
Schedule of Segmented Information
For the Year Ended December 31, 2024

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 221,830	\$ 329,036	\$ 185,138	\$ 338,433	\$ -	\$ 449,948	\$ 1,524,385
Sales and user charges	4,636	25,085	-	6,800	845,675	6,957	889,153
Government transfers	220,831	63,438	-	-	-	44,638	328,907
All other	9,765	8,920	6,719	-	11,648	207,771	244,823
Rentals	7,218	179,482	500	-	-	-	187,200
Investment income	127,640	-	-	-	-	-	127,640
	<u>591,920</u>	<u>605,961</u>	<u>192,357</u>	<u>345,233</u>	<u>857,323</u>	<u>709,314</u>	<u>3,302,108</u>
EXPENSES							
Salaries, wages and benefits	318,117	328,173	27,917	120,254	216,572	381,433	1,392,466
Contracted services	197,264	83,048	111,765	63,360	239,091	82,785	777,313
Materials, goods, and supplies	28,073	79,934	8,559	50,000	195,826	47,741	410,133
Utilities	8,908	76,848	18,614	85,749	22,393	14,411	226,923
Insurance	31,191	25,078	8,804	4,301	11,283	4,783	85,440
Interest on long-term debt	-	-	16,698	21,569	-	-	38,267
Transfers to local boards and agencies	-	12,880	-	-	-	-	12,880
Provision for allowances	11,234	-	-	-	-	-	11,234
	<u>\$ 594,787</u>	<u>\$ 605,961</u>	<u>\$ 192,357</u>	<u>\$ 345,233</u>	<u>\$ 685,165</u>	<u>\$ 531,153</u>	<u>\$ 2,954,656</u>
NET REVENUE, BEFORE AMORTIZATION							
	(2,867)	-	-	-	172,158	178,161	347,452
Amortization	25,309	124,280	60,494	282,935	73,229	1,100	567,347
NET REVENUE (EXPENSE)	<u>\$ (28,176)</u>	<u>\$ (124,280)</u>	<u>\$ (60,494)</u>	<u>\$ (282,935)</u>	<u>\$ 98,929</u>	<u>\$ 177,061</u>	<u>\$ (219,895)</u>

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

TOWN OF BRUDERHEIM
Schedule of Segmented Information
For the Year Ended December 31, 2023

(Schedule 4)

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 495,656	\$ 207,282	\$ 163,279	\$ 272,251	\$ -	\$ 328,107	\$ 1,466,575
Sales and user charges	3,121	3,325	-	2,824	804,879	751	814,900
Government transfers	113,825	109,158	-	146,351	103,202	88,235	560,771
All other	185	4,750	5,063	-	16,887	186,159	213,044
Rentals	7,113	156,161	-	-	-	-	163,274
Investment income	86,491	-	-	-	-	-	86,491
	<u>706,391</u>	<u>480,676</u>	<u>168,342</u>	<u>421,426</u>	<u>924,968</u>	<u>603,252</u>	<u>3,305,055</u>
EXPENSES							
Contracted services	\$ 283,026	\$ 96,958	\$ 115,764	\$ 182,770	\$ 342,231	\$ 136,325	\$ 1,157,074
Salaries, wages and benefits	351,735	216,224	-	96,519	150,049	279,375	1,093,902
Materials, goods, and supplies	27,434	47,984	2,850	36,402	168,558	37,994	321,222
Utilities	10,530	78,611	24,289	78,034	21,886	15,939	229,289
Insurance	30,837	23,019	8,394	4,790	10,746	4,104	81,890
Interest on long-term debt	-	-	17,045	22,911	-	-	39,956
Transfers to local boards and agencies	-	17,880	-	-	-	-	17,880
Provision for allowances	2,829	-	-	-	-	-	2,829
	<u>706,391</u>	<u>480,676</u>	<u>168,342</u>	<u>421,426</u>	<u>693,470</u>	<u>473,737</u>	<u>2,944,042</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	231,498	129,515	361,013
Amortization	25,309	97,067	60,383	277,323	34,598	1,100	495,780
NET REVENUE (EXPENSE)	<u>\$ (25,309)</u>	<u>\$ (97,067)</u>	<u>\$ (60,383)</u>	<u>\$ (277,323)</u>	<u>\$ 196,900</u>	<u>\$ 128,415</u>	<u>\$ (134,767)</u>

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

TOWN OF BRUDERHEIM
Notes to Financial Statements
December 31, 2024

1. ACCOUNTING POLICIES

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

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expense, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Town and are, therefore, accountable to Town 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 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 revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met any eligibility criteria, 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.

The Town has used estimates to determine the estimated useful lives of tangible capital assets and provisions made for uncollectible receivables.

(d) Valuation of Financial Assets and Liabilities

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Receivables	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost
Deposit liabilities	Cost

(continues)

TOWN OF BRUDERHEIM
Notes to Financial Statements
December 31, 2024

1. ACCOUNTING POLICIES (continued)

(e) 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 one year or less at acquisition.

(f) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on 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.

(g) 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 Town 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.

(h) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

(i) 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 leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

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TOWN OF BRUDERHEIM
Notes to Financial Statements
December 31, 2024

1. ACCOUNTING POLICIES (continued)

(j) 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 the estimated useful life as follows:

Land improvements	15 - 20 years
Buildings	25 - 50 Years
Engineered structures:	
Water System	35 - 65 years
Wastewater System	35 - 65 years
Other engineered structures	15 - 40 years
Machinery and equipment	5 - 20 years
Vehicles	3 - 20 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.

(k) Tax Revenue

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality and are recognized as revenue in the year in which the local improvement project is completed.

(l) 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.

TOWN OF BRUDERHEIM
Notes to Financial Statements
December 31, 2024

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 400	\$ 400
Deposit accounts with financial institutions	925,321	3,725,781
	<u>\$ 925,721</u>	<u>\$ 3,726,181</u>

3. RECEIVABLES

	<u>2024</u>	<u>2023</u>
Other governments	\$ 937,088	\$ 549,561
Taxes and grants in place of taxes	561,504	500,255
Utilities	74,159	66,820
Trade and other	66,899	51,090
	<u>1,639,650</u>	<u>1,167,726</u>
Less: allowance for doubtful accounts	<u>(123,826)</u>	<u>(120,959)</u>
	<u>\$ 1,515,824</u>	<u>\$ 1,046,767</u>

All receivables other than taxes and grants in place of taxes are current. The age of taxes and grants in place of taxes receivables that are not impaired are as follows:

Current	\$ 207,174	\$ 187,201
1 year	118,363	135,526
2 years	95,876	45,906
3 years	7,303	934
Over 3 years	8,962	9,729
	<u>\$ 437,678</u>	<u>\$ 379,296</u>

4. DEFERRED REVENUE

Deferred revenue consists of funds received which are restricted to expenses of future periods. Changes during the year were as follows:

	<u>2023</u>	<u>Funds Received</u>	<u>Funds Used</u>	<u>2024</u>
Alberta Municipal Water				
Wastewater Program	\$ 1,564,552	\$ 977,165	\$ (2,541,717)	\$ -
Canada Community-Building Fund	252,005	204,999	(457,004)	-
Local Government Fiscal Funding	374,694	331,548	(518,139)	188,103
Other	36,399	36,017	(36,399)	36,017
Other grants	24,637	50,000	(44,637)	30,000
Donations	21,814	2,100	(3,228)	20,686
Alberta Community Partnership	35,953	-	(35,953)	-
Western Economic Diversification				
Canada	-	-	-	-
	<u>\$ 2,310,054</u>	<u>\$ 1,601,829</u>	<u>\$ (3,637,077)</u>	<u>\$ 274,806</u>

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Notes to Financial Statements
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5. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$33,494 including interest at 3.022% maturing March 2037.	\$ 693,069	\$ 738,090
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$13,193 including interest at 3.683% maturing September 2051.	448,972	458,556
	<u>\$ 1,142,041</u>	<u>\$ 1,196,646</u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 56,332	\$ 37,042	\$ 93,374
2026	58,114	35,260	93,374
2027	59,953	33,421	93,374
2028	61,850	31,523	93,373
2029	63,808	29,566	93,374
To maturity	841,984	240,908	1,082,892
	<u>\$ 1,142,041</u>	<u>\$ 407,720</u>	<u>\$ 1,549,761</u>

6. 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 Town be disclosed as follows:

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 4,953,162	\$ 4,957,583
Total debt	(1,142,041)	(1,196,646)
Total debt limit remaining	<u>\$ 3,811,121</u>	<u>\$ 3,760,937</u>
Service on debt limit	\$ 825,527	\$ 826,264
Service on debt	(93,374)	(93,374)
Total service on debt limit remaining	<u>\$ 732,153</u>	<u>\$ 732,890</u>

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Town. Rather, the financial statements must be interpreted as a whole.

TOWN OF BRUDERHEIM
Notes to Financial Statements
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7. TANGIBLE CAPITAL ASSETS

	2024	2023
	Net Book	Net Book
	Value	Value
Engineered structures		
Water systems	\$ 5,170,890	\$ 2,004,895
Roadways	4,758,806	4,466,123
Wastewater systems	727,597	734,208
	10,657,293	7,205,226
Buildings	2,953,786	3,029,018
Land	1,478,174	1,478,174
Land improvements	918,378	969,770
Machinery and equipment	665,867	759,578
Vehicles	45,089	54,402
	\$ 16,718,587	\$ 13,496,168

	Cost			Cost
	Beginning of	Purchased	Disposals	End of
	Year	Additions		Year
Engineered structures				
Roadways	\$ 10,362,545	\$ 524,912	-	\$ 10,887,457
Water systems	2,238,374	3,196,413	-	5,434,787
Wastewater systems	3,307,262	21,642	-	3,328,904
	15,908,181	3,742,967	-	19,651,148
Buildings	4,842,696	46,800	-	4,889,496
Machinery and equipment	1,429,878	-	-	1,429,878
Land	1,478,174	-	-	1,478,174
Land improvements	1,400,859	-	-	1,400,859
Vehicles	290,493	-	-	290,493
	\$ 25,350,281	\$ 3,789,767	\$ -	\$ 29,140,048

	Accumulated			Accumulated
	Amortization	Current	Disposals	Amortization
	Beginning of	Amortization		End of
	Year		Write-downs	Year
Engineered structures				
Roadways	\$ 5,896,422	\$ 232,229	-	\$ 6,128,651
Water systems	233,479	30,418	-	263,897
Wastewater systems	2,573,054	28,253	-	2,601,307
	8,702,955	290,900	-	8,993,855
Buildings	1,813,678	122,032	-	1,935,710
Machinery and equipment	670,300	93,711	-	764,011
Land improvements	431,089	51,392	-	482,481
Vehicles	236,091	9,313	-	245,404
	\$ 11,854,113	\$ 567,348	\$ -	\$ 12,421,461

TOWN OF BRUDERHEIM
Notes to Financial Statements
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8. ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$ 663,597	\$ 378,474
Restricted surplus		
Capital reserves (Note 9)	980,513	1,267,160
Equity in tangible capital assets (Schedule 1)	<u>15,576,546</u>	<u>12,299,522</u>
	<u>\$ 17,220,656</u>	<u>\$ 13,945,156</u>

9. RESERVES

	<u>2024</u>	<u>2023</u>
Utilities infrastructure lifecycle, maintenance & replacement	\$ 523,157	\$ 668,388
Utilities project	151,032	151,032
Utilities levy debt repayment	101,236	101,236
Internal financing	59,537	174,779
Infrastructure lifecycle, maintenance & replacement	36,801	44,774
Major recreation facilities	28,797	28,797
Stabilization	21,859	40,060
Recreation facility debt repayment	18,975	18,975
Land	17,458	17,458
Community investment program	8,355	8,355
Municipal projects	8,306	8,306
Cultural development	<u>5,000</u>	<u>5,000</u>
	<u>980,513</u>	<u>1,267,160</u>

TOWN OF BRUDERHEIM
Notes to Financial Statements
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10. PENSION PLAN

Employees of the Town participate in a group pension plan. The plan offers employees flexibility with the opportunity to choose their allocation amount. Employees of the Town have the option to make a current service contribution in the amount of 3%, 5%, 7%, or 9% of their gross salary for the year. Employee contributions are matched by the Town.

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

Total current service contributions by the Town to the employee pension plan in 2024 were \$30,400 (2023 - \$33,128).

TOWN OF BRUDERHEIM
Notes to Financial Statements
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11. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for Town officials, the Town Chief Administrator Officer and designated officers required by *Alberta Regulation 313/2000* are as follows:

	Salary (1)	Benefits (2)	2024	2023
Mayor K. Hauch	\$ 9,647	\$ 366	\$ 10,013	\$ 9,406
Councillors				
J. Schueler	-	-	-	5,695
A. Carter	9,160	337	9,497	7,744
D. Jacobs	8,960	323	9,283	7,744
W. Olechow	7,837	258	8,095	8,195
L. Falardeau	7,410	233	7,643	7,983
A. Young	7,085	213	7,298	1,089
G. Campbell	6,601	-	6,601	6,805
	<u>\$ 56,700</u>	<u>\$ 1,730</u>	<u>\$ 58,430</u>	<u>\$ 54,661</u>
Designated Officers (1)	<u>14,916</u>	<u>-</u>	<u>14,916</u>	<u>14,758</u>
Chief Administrative Officers	<u>\$ 148,446</u>	<u>\$ 11,740</u>	<u>\$ 160,186</u>	<u>\$ 143,896</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 or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

(3) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

TOWN OF BRUDERHEIM
Notes to Financial Statements
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12. FINANCIAL INSTRUMENTS

The Town is exposed to various risks through its financial instruments and has a framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the Town's revenue and expenses will be affected by the fluctuation and degree of volatility in interest rates. The Town is exposed to interest rate risk primarily through its cash balances. Interest rate risk with respect to the Town's debt is managed through fixed-rate debentures.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant other price risks arising from these financial instruments.

13. SEGMENTED INFORMATION

The Town 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 Segmented Disclosure (*Schedule 4*).

14. BUDGET FIGURES

The 2024 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on May 8, 2024. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	Budget	Actual
Annual surplus	\$ 254,830	\$ 3,275,500
Amortization expense	495,780	567,348
Repayment of long-term debt	(54,262)	(54,605)
Purchase of tangible capital assets	(926,938)	(3,789,767)
Net transfers (to) from reserves	223,588	286,647
	<u>\$ (7,002)</u>	<u>\$ 285,123</u>

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15. UTILITY FRANCHISE AGREEMENTS

As required by *Alberta Regulation 313/2000* utility franchise agreement annual revenues include \$82,750 (2023 - \$75,880) from ATCO Gas and \$33,415 (2023 - \$18,322) from Fortis.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
