

**VILLAGE OF WARBURG**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2022**



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Council of Village of Warburg

#### Opinion

We have audited the consolidated financial statements of Village of Warburg (the Village), which comprise the consolidated statements of financial position as at December 31, 2022, consolidated statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated 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 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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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### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Edmonton, Alberta  
April 11, 2023

  
Chartered Professional Accountants

**VILLAGE OF WARBURG**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 800,532	\$ 1,106,192
Investments <i>(Note 3)</i>	2,400,251	1,937,378
Taxes and grants in lieu of taxes receivables <i>(Note 4)</i>	200,197	198,508
Trade and other receivables	188,457	405,975
	<u>3,589,437</u>	<u>3,648,053</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	144,090	45,730
Unearned revenue <i>(Note 5)</i>	155,078	545,630
	<u>299,168</u>	<u>591,360</u>
<b>NET FINANCIAL ASSETS</b>	<u>3,290,269</u>	<u>3,056,693</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 2)</i>	<u>9,201,885</u>	<u>8,761,033</u>
<b>ACCUMULATED SURPLUS <i>(Note 8)</i></b>	<u>\$ 12,492,154</u>	<u>\$ 11,817,726</u>

Commitments and contingencies - see Notes 11 and 12.

On behalf of the Members of Council

 \_\_\_\_\_ Mayor

 \_\_\_\_\_ Deputy Mayor

**VILLAGE OF WARBURG**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2022**

	Budget 2022 <i>(Unaudited)</i>	2022	2021
<b>REVENUE</b>			
Net taxes available for municipal purposes <i>(Schedule 3)</i>	\$ 718,332	\$ 718,815	\$ 702,700
Sales and user fees	288,850	298,773	327,019
Penalties and costs on taxes	88,000	46,538	59,223
Licenses and permits	9,800	11,214	11,964
Fines	6,500	8,714	12,551
Franchise and concession contracts	73,000	80,288	74,881
Insurance proceeds	-	-	12,781
Investment income	22,000	91,052	22,847
Rentals	21,225	39,847	25,768
Government transfers for operating <i>(Schedule 4)</i>	317,223	358,588	413,883
Other revenue	10,500	4,572	23,929
	<u>1,555,430</u>	<u>1,658,401</u>	<u>1,687,546</u>
<b>EXPENSES</b>			
General government			
Legislative	59,500	38,503	42,286
Administrative	456,450	357,921	347,033
Protective services			
Fire and disaster	85,900	64,885	62,313
Police	92,533	73,452	44,956
Transportation			
Roads, streets, walks, lighting	217,500	174,377	164,082
Environmental use and protection			
Water and wastewater	167,600	102,997	170,063
Waste management	44,000	43,187	40,029
Public health and welfare			
Family and community support services	68,000	43,828	37,062
Planning and development	48,022	29,782	34,734
Recreation and culture			
Recreation and parks	232,063	241,785	173,062
Culture	68,360	33,515	88,849
Amortization	-	495,137	486,049
	<u>1,539,928</u>	<u>1,699,369</u>	<u>1,690,518</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	15,502	(40,968)	(2,972)
<b>OTHER</b>			
Government transfers for capital <i>(Schedule 4)</i>	342,130	715,396	-
<b>EXCESS OF REVENUE OVER EXPENSES</b>	357,632	674,428	(2,972)
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	11,817,726	11,817,726	11,820,698
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$ 12,175,358</u>	<u>\$ 12,492,154</u>	<u>\$ 11,817,726</u>

**VILLAGE OF WARBURG**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2022**

	Budget 2022 <i>(Unaudited)</i>	2022	2021
Excess of revenue over expenses	\$ 357,632	\$ 674,428	\$ (2,973)
Acquisition of tangible capital assets	-	(935,989)	(99,264)
Amortization of tangible capital assets	-	495,137	486,049
	-	(440,852)	386,785
	\$ 357,632	\$ 233,576	\$ 383,812

**VILLAGE OF WARBURG**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>Operating activities</b>		
Cash receipts from taxes	\$ 929,046	\$ 978,191
Cash receipts from government	1,045,751	453,264
Cash receipts from others	298,607	484,659
Cash paid to suppliers and employees	(1,105,872)	(1,204,823)
Cash paid for requisitions	(165,382)	(158,855)
Investment income received	91,052	23,796
	<u>1,093,202</u>	<u>576,232</u>
<b>Investing activity</b>		
Increase in investments, net	<u>(462,873)</u>	<u>(235,347)</u>
<b>Capital activity</b>		
Acquisition of tangible capital assets	<u>(935,989)</u>	<u>(99,264)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(305,660)</b>	<b>241,621</b>
Cash and cash equivalents - beginning of year	<u>1,106,192</u>	<u>864,571</u>
<b>Cash and cash equivalents - end of year (Note 3)</b>	<b>\$ 800,532</b>	<b>\$ 1,106,192</b>

VILLAGE OF WARBURG

Consolidated Schedule of Changes in Accumulated Surplus  
Year Ended December 31, 2022

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 2,955,447	\$ 101,246	\$ 8,761,033	\$ 11,817,726	\$ 11,820,698
Excess (deficiency) revenue over expenses	674,428	-	-	674,428	(2,972)
Funds designated for future use	33,897	(33,897)	-	-	-
Unrestricted funds used for tangible capital assets	(935,989)	-	935,989	-	-
Annual amortization expense	495,137	-	(495,137)	-	-
Change in accumulated surplus	267,473	(33,897)	440,852	674,428	(2,972)
<b>BALANCE, END OF YEAR</b>	<b>\$ 3,222,920</b>	<b>\$ 67,349</b>	<b>\$ 9,201,885</b>	<b>\$ 12,492,154</b>	<b>\$ 11,817,726</b>



**VILLAGE OF WARBURG**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2022**

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment		Vehicle	2021
					2022	2021		
<b>COST</b>								
BALANCE, BEGINNING OF YEAR	\$ 106,260	\$ 1,554,329	\$ 3,996,255	\$ 9,984,844	\$ 619,731	\$ 89,383	\$ 16,350,802	\$ 16,267,085
Acquisition of tangible capital assets	-	50,000	7,462	878,527	-	-	935,989	99,264
Disposal of tangible capital assets	-	-	-	-	(8,895)	-	(8,895)	-
BALANCE, END OF YEAR	106,260	1,604,329	4,003,717	10,863,371	610,836	89,383	17,277,896	16,366,349
<b>ACCUMULATED AMORTIZATION</b>								
BALANCE, BEGINNING OF YEAR	-	617,070	740,714	5,641,662	511,799	78,524	7,589,769	7,119,267
Annual amortization	-	78,296	78,286	315,993	19,848	2,714	495,137	486,049
Accumulated amortization on disposals	-	-	-	-	(8,895)	-	(8,895)	-
BALANCE, END OF YEAR	-	695,366	819,000	5,957,655	522,752	81,238	8,076,011	7,605,316
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 106,260</b>	<b>\$ 908,963</b>	<b>\$ 3,184,717</b>	<b>\$ 4,905,716</b>	<b>\$ 88,084</b>	<b>\$ 8,145</b>	<b>\$ 9,201,885</b>	<b>\$ 8,761,033</b>
<b>2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 106,260</b>	<b>\$ 937,259</b>	<b>\$ 3,255,541</b>	<b>\$ 4,343,182</b>	<b>\$ 107,932</b>	<b>\$ 10,859</b>	<b>\$ 8,761,033</b>	

**VILLAGE OF WARBURG**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2022**

*(Schedule 3)*

	Budget 2022 <i>(Unaudited)</i>	2022	2021
<b>TAXATION</b>	\$ 884,196	\$ 884,197	\$ 861,555
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	164,264	163,872	157,370
Leduc Senior Lodge	1,600	1,510	1,485
	<u>165,864</u>	<u>165,382</u>	<u>158,855</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 718,332</u>	<u>\$ 718,815</u>	<u>\$ 702,700</u>

**VILLAGE OF WARBURG**  
**Consolidated Schedule of Government Transfers**  
**Year Ended December 31, 2022**

(Schedule 4)

	Budget 2022 <i>(Unaudited)</i>	2022	2021
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 92,582	\$ 118,004	\$ 203,762
Other Local Government	224,641	240,584	210,121
	<u>317,223</u>	<u>358,588</u>	<u>413,883</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	342,130	715,396	-
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 659,353</u>	<u>\$ 1,073,984</u>	<u>\$ 413,883</u>

**VILLAGE OF WARBURG**  
**Consolidated Schedule of Consolidated Expenses by Object**  
**Year Ended December 31, 2022**

*(Schedule 5)*

	Budget 2022 <i>(Unaudited)</i>	2022	2021
Amortization	\$ -	\$ 495,137	\$ 486,049
Salaries, wages and benefits	538,383	439,241	424,008
Materials, goods and utilities	429,200	333,484	293,440
Contracted and general services	324,622	255,629	291,651
Transfers to local boards and agencies	163,723	163,236	159,614
Drawn from tax allowance	70,000	-	24,185
Transfers to other governments	10,000	12,642	11,571
	<u>\$ 1,535,928</u>	<u>\$ 1,699,369</u>	<u>\$ 1,690,518</u>

**VILLAGE OF WARBURG**  
**Consolidated Schedule of Segmented Disclosure**  
**Year Ended December 31, 2022**

(Schedule 6)

	General Government	Protective Services	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	2022 Total
<b>REVENUE</b>								
Net municipal taxes	\$ 718,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 718,815
Government transfers	807,978	77,541	-	-	25,141	27,608	135,715	1,073,983
Sales and user fees	14,318	-	-	258,255	20,783	-	5,417	298,773
Investment income	91,052	-	-	-	-	-	-	91,052
Other revenues	162,956	-	-	-	-	550	27,667	191,173
	<u>1,795,119</u>	<u>77,541</u>	<u>-</u>	<u>258,255</u>	<u>45,924</u>	<u>28,158</u>	<u>168,799</u>	<u>2,373,796</u>
<b>EXPENSES</b>								
Contract and general services	66,716	28,276	18,157	73,858	1,500	29,782	37,340	255,629
Salaries and wages	250,361	90,397	33,342	19,071	20,912	-	25,158	439,241
Goods and supplies	79,348	7,021	122,878	53,254	21,416	-	104,401	388,318
Transfers to other governments	-	12,642	-	-	-	-	-	12,642
Transfers to local boards and organizations	-	-	-	-	-	-	108,401	108,401
Provision for allowances	-	-	-	-	-	-	-	-
	<u>396,425</u>	<u>138,336</u>	<u>174,377</u>	<u>146,183</u>	<u>43,828</u>	<u>29,782</u>	<u>275,300</u>	<u>1,204,231</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<u>1,398,694</u>	<u>(60,795)</u>	<u>(174,377)</u>	<u>112,072</u>	<u>2,096</u>	<u>(1,624)</u>	<u>(106,501)</u>	<u>1,169,565</u>
Amortization expense	9,008	2,311	325,699	49,747	-	-	108,372	495,137
<b>NET REVENUE</b>	<u>\$ 1,389,686</u>	<u>\$ (63,106)</u>	<u>\$ (500,076)</u>	<u>\$ 62,325</u>	<u>\$ 2,096</u>	<u>\$ (1,624)</u>	<u>\$ (214,873)</u>	<u>\$ 674,428</u>

**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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**1. Summary of significant accounting policies**

The consolidated financial statements of the Village of Warburg are the representations of management prepared in accordance with generally accepted accounting principles for 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 consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources. Included with the municipality are the following:

- Village of Warburg Fire Department
- Village of Warburg Water and Wastewater System
- Village of Warburg Waste Management

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity. The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organization transactions and balances are eliminated.

**Basis of accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and services and/or the 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, regulations 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 recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, 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.

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**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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**1. Summary of significant accounting policies (continued)**

**Valuation of Financial Assets and Liabilities**

The Village's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Investments	Amortized cost
Taxes, trade and other receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

**Cash and cash equivalents**

Cash and cash equivalents are comprised of cash.

**Investments**

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value 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.

**Revenue recognition**

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.

User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

**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.

**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 revenue over expenses, provides the consolidated change in net financial assets for the year.

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**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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**1. Summary of significant accounting policies (continued)**

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	10 - 30 years
Buildings	50 years
Engineering structures	5 - 75 years
Machinery and equipment	5 - 20 years
Vehicles	10 years

Annual amortization is charged in the year of acquisition and no amortization is recorded in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributions of tangible capital assets

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

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**2. Financial instruments**

The Village's financial instruments consist of cash and cash equivalents, investments, accounts receivables, accounts payable and accrued liabilities, and long term debt. It is management's opinion that the Village is not exposed to significant interest and currency risks arising from these financial instruments.

The Village is subject to credit risk with respect to taxes and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

**3. Cash and cash equivalents and investments**

	<b>2022</b>	<b>2021</b>
Cash in bank	\$ 800,532	\$ 1,106,192
Short term investment certificates, maturing within 31 days to 90 days, interest ranging from 4.7% to 4.8% per annum (2021 - interest ranging from 0.6% to 0.8% per annum)	<b>2,400,251</b>	1,937,378
	<b>3,200,783</b>	3,043,570
Externally restricted	<b>(222,427)</b>	(373,610)
Internally restricted	<b>(1,836,007)</b>	(1,395,521)
Unrestricted	<b>\$ 1,142,349</b>	\$ 1,274,439

Amounts externally restricted - cost sharing projects:

39/20 Alliance - alliance formed with the Town of Calmar, Villages of Thorsby and Breton to promote municipal cooperation in delivery of services to residents	\$ 75,200	\$ 73,886
RCMP Officer - funds received in advance from neighbouring communities to fund the position of a RCMP officer	<b>79,878</b>	73,456
	<b>155,078</b>	147,342

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**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

**3. Cash and cash equivalents and investments (continued)**

Amounts externally restricted - other:

Tax recovery - to be held for a minimum of 10 years or until funds are paid out to the previous owner	67,349	101,246
The Canada Community-Building Fund (formerly the Gas Tax Fund) - to support local infrastructure priorities	-	100,000
Alberta Economic Development and Trade Grant - to develop and establish supports that enable community transition planning towards long term economic sustainability	-	25,022
	<u>67,349</u>	<u>226,268</u>
	<u>\$ 222,427</u>	<u>\$ 373,610</u>

All externally restricted funds and any interest earned thereon are to be held in trust until applied to eligible expenditures.

Amounts internally restricted:

Designated by Council for capital projects and equipment replacement	\$ 1,799,776	\$ 1,358,729
Accumulated surplus for the purpose of helping needy families in the community	36,231	36,792
	<u>\$ 1,836,007</u>	<u>\$ 1,395,521</u>

**4. Taxes and grants in lieu of taxes receivable**

	<u>2022</u>	<u>2021</u>
Current taxes and grants in lieu	\$ 134,745	\$ 66,405
Tax arrears	65,452	132,103
	<u>\$ 200,197</u>	<u>\$ 198,508</u>

**5. Unearned revenue**

	<u>2022</u>	<u>2021</u>
RCMP Officer	\$ 79,878	\$ 73,456
39/20 Alliance	75,200	73,886
Alberta Government - Capital transfers	-	373,266
Alberta Economic Development and Trade grant	-	25,022
Alberta Government - Municipal Operating Support Transfer	-	-
	<u>\$ 155,078</u>	<u>\$ 545,630</u>

Unearned revenue is supported by cash and cash equivalents and investments (see Note 3).

**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

**6. Debt Limits**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Village be disclosed as follows:

	<b>2022</b>	<b>2021</b>
Total debt limit	<b>\$ 2,487,602</b>	<b>\$ 2,531,319</b>
Debt servicing limit	<b>\$ 414,600</b>	<b>\$ 421,887</b>

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

**7. Equity in tangible capital assets**

	<b>2022</b>	<b>2021</b>
Tangible capital assets ( <i>Schedule 2</i> )	<b>\$ 17,277,896</b>	<b>\$ 16,350,802</b>
Accumulated amortization ( <i>Schedule 2</i> )	<b>(8,076,011)</b>	<b>(7,589,769)</b>
	<b>\$ 9,201,885</b>	<b>\$ 8,761,033</b>

**8. Accumulated surplus**

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

	<b>2022</b>	<b>2021</b>
Unrestricted surplus	<b>\$ 3,222,920</b>	<b>\$ 2,955,447</b>
Restricted surplus		
Tax recovery	<b>67,349</b>	<b>101,246</b>
Equity in tangible capital assets	<b>9,201,885</b>	<b>8,761,033</b>
	<b>\$ 12,492,154</b>	<b>\$ 11,817,726</b>

**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

**9. Salaries and benefits disclosure**

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	Salary (1)	Benefits and allowances (2)	2022	2021
Mayor	\$ 11,850	\$ 1,905	\$ 13,755	\$ 8,347
Councillors				
R. Hart	8,050	196	8,246	2,072
C. Henderson	3,750	71	3,821	1,000
I. Laing	2,850	-	2,850	3,688
S. Swartz	2,800	113	2,913	4,477
Former Mayor	-	-	-	12,122
Former Councillors				
T. Smith	-	-	-	3,200
Chief Administrative Officer	90,788	15,738	106,526	94,136
	<u>\$ 120,088</u>	<u>\$ 18,023</u>	<u>\$ 138,111</u>	<u>\$ 129,042</u>

1. Salary includes regular base pay, lump sum payments and gross honoraria.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees and expense allowances for vehicle.

**10. Local Authorities Pension Plan**

Employees of the Village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Village is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the Village to the LAPP were \$20,756 (2021 – \$22,523). Total current service contributions by the employees of the Village to the Local Authorities Pension Plan were \$18,422 (2021 - \$20,220).

At December 31, 2021, the LAPP disclosed a surplus of \$11.92 billion.

**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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**11. Contingent liability**

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Village of Warburg 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.

The Village is responsible for the clean up of the contaminated soil on the Village's shop site. Remediation work has been completed since 2014. The Village continues to monitor groundwater contamination.

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**12. Commitments**

The Village has entered into the following agreements:

- (a) Cost sharing agreement for fire and rescue services with Leduc County – the Village pays 25% and the County pays 75% of the total annual operating costs. Capital equipment purchased by either the Village or the County shall remain the property of the purchaser. All capital acquisitions are agreed jointly between the parties.
  - (b) Cost sharing agreement for recreation cost sharing with Leduc County – the Village pays 26% and the County pays 74% of the total annual operating costs.
  - (c) Multi-Municipal Family and Community Support Services ("FCSS") with Leduc County and two other municipalities commencing May 31, 2017 to provide services in a borderless model where residents of the Village can access FCSS services from Leduc County and other municipalities and vice versa.
  - (d) Waste disposal service – sixty month contract commencing from October 1, 2020 to September 30, 2025 priced as follows:
    - Waste collection at a rate of \$9.89 per unit per month for weekly collection.
    - Recycling collection at a rate of \$3.03 per unit per month for a bi-weekly collection.
  - (e) Office equipment lease for 60 months with quarterly payments of \$850.51 plus Goods and Services Tax.
  - (f) Computer and server management agreement for five years commencing November 1, 2019 with monthly payment of \$762 plus Goods and Services Tax.
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**13. Segmented disclosure**

The Village provides a range of services to its ratepayers. For each reported segment, revenue 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 disclosed in Note 1. Schedule of Segmented Disclosure are included as Schedule 6 as part of the financial statements.

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police and fire. Transportation included roads, streets, walks and lighting. Planning and development includes land use planning, zoning and subdivision land and development. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls.

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**VILLAGE OF WARBURG**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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**14. Approval of financial statements**

Council and management have approved these financial statements.

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