

**TOWN OF BRUDERHEIM**  
**Financial Statements**  
**For The Year Ended December 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

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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, 2025, 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, 2025, 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.

(continues)

*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 15, 2026

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

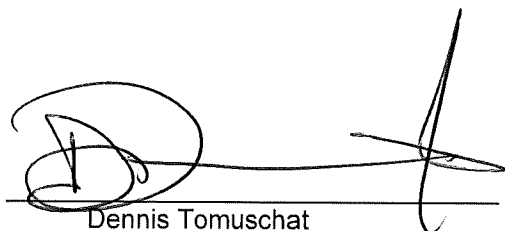
To His Worship the Mayor and Members of Council of the Town of Bruderheim

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.

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a long horizontal line and a vertical stroke that loops back to the end of the line.

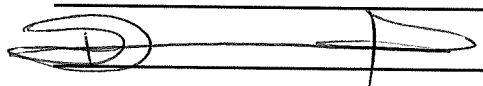
Dennis Tomuschat  
Interim Chief Administrative Officer

**TOWN OF BRUDERHEIM**  
**Statement of Financial Position**  
**December 31, 2025**

	2025	2024 <i>(Note 15)</i>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 1,366,820	\$ 925,721
Receivables <i>(Note 3)</i>	1,167,498	1,379,715
Land held for resale	3,255	3,255
	<u>2,537,573</u>	<u>2,308,691</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	236,090	561,722
Deposit liabilities	44,148	42,288
Deferred revenue <i>(Note 4)</i>	619,265	274,806
Long-term debt <i>(Note 5)</i>	1,085,708	1,142,041
	<u>1,985,211</u>	<u>2,020,857</u>
<b>NET FINANCIAL ASSETS</b>	<u>552,362</u>	<u>287,834</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 1) (Note 7)</i>	16,202,426	16,718,587
Inventory	2,592	6,480
Prepaid expenses	27,260	71,646
	<u>16,232,278</u>	<u>16,796,713</u>
<b>ACCUMULATED SURPLUS</b> <i>(Schedule 1)</i>	<u>\$ 16,784,640</u>	<u>\$ 17,084,547</u>

**ON BEHALF OF THE BOARD:**

\_\_\_\_\_  
 Councillor

 \_\_\_\_\_  
 Acting Chief Administrative Officer

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

**TOWN OF BRUDERHEIM**  
**Statement of Financial Position**  
**December 31, 2025**

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**ON BEHALF OF THE BOARD:**

\_\_\_\_\_ *Councillor*

\_\_\_\_\_ *Acting Chief Administrative Officer*

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, 2025**

	2025 (Budget) (Note 13)	2025 (Actual)	2024 (Actual) (Note 15)
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 2)	\$ 1,518,491	\$ 1,518,631	\$ 1,524,385
Sales and user charges (Schedule 4)	909,079	933,085	889,153
Government transfers for operating (Schedule 3)	124,590	239,141	328,907
Rentals	178,000	195,639	187,200
Penalties and costs on taxes	110,000	137,953	93,309
Franchise and concession contracts (Note 9)	120,000	110,502	116,165
Interest	100,000	31,969	127,640
Other	976	19,662	25,466
Licenses and permits	18,800	12,638	9,080
Fines	1,000	605	803
	<u>3,080,936</u>	<u>3,199,825</u>	<u>3,302,108</u>
<b>EXPENSES</b>			
Parks and recreation	536,709	525,128	585,562
General administration	560,821	484,506	594,787
Water supply and distribution	469,574	409,254	351,415
Roads, streets, walks and lighting	341,881	311,432	345,234
Land use planning, zoning and development	307,743	252,148	156,376
Common services	252,008	240,686	272,955
Waste management	236,020	234,457	224,697
Legislative	147,529	154,867	92,375
Waste water treatment and disposal	157,910	138,797	109,053
Bylaw enforcement and policing	90,200	78,958	87,053
Fire	59,745	56,001	63,707
Disaster and emergency measures	38,189	42,261	41,596
Library	20,700	20,631	20,399
Family and community support	9,500	9,446	9,446
Amortization	505,696	604,789	567,348
	<u>3,734,225</u>	<u>3,563,361</u>	<u>3,522,003</u>
<b>ANNUAL OPERATING SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	(653,289)	(363,536)	(219,895)
<b>OTHER REVENUE</b>			
Government transfers for capital (Schedule 3)	121,363	63,629	3,359,286
<b>ANNUAL SURPLUS (DEFICIT)</b>	(531,926)	(299,907)	3,139,391
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	17,084,547	17,084,547	13,945,156
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 16,552,621</u>	<u>\$ 16,784,640</u>	<u>\$ 17,084,547</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, 2025**

	2025 (Budget) (Note 13)	<b>2025 (Actual)</b>	2024 (Actual) (Note 15)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (531,926)	\$ <b>(299,907)</b>	\$ 3,139,391
Acquisition of tangible capital assets	(219,845)	<b>(88,629)</b>	(3,789,767)
Amortization of tangible capital assets	505,696	<b>604,789</b>	567,348
	(246,075)	<b>216,253</b>	(83,028)
(Acquisition) use of supplies inventory	-	<b>3,888</b>	(4,680)
(Acquisition) use of prepaid expenses	-	<b>44,387</b>	(55,477)
<b>(INCREASE) DECREASE IN NET FINANCIAL ASSETS</b>	(246,075)	<b>264,528</b>	(143,185)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	287,834	<b>287,834</b>	431,019
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 41,759	\$ <b>552,362</b>	\$ 287,834

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

**TOWN OF BRUDERHEIM**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2025**

	2025	2024 <i>(Note 15)</i>
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (299,907)	\$ 3,139,391
Non-cash item not included in annual surplus:		
Amortization	604,789	567,348
	<u>304,882</u>	<u>3,706,739</u>
Changes in non-cash working capital balances related to operations:		
Receivables	212,216	(332,948)
Accounts payable and accrued liabilities	(325,621)	(228,675)
Deferred revenue	344,459	(2,035,247)
Deposit liabilities	1,849	(5,800)
Inventory	3,888	(4,680)
Prepaid expenses	44,388	(55,477)
	<u>281,179</u>	<u>(2,662,827)</u>
Cash flow from operating activities	<u>586,061</u>	<u>1,043,912</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	<u>(88,629)</u>	<u>(3,789,767)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	<u>(56,333)</u>	<u>(54,605)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>441,099</b>	<b>(2,800,460)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u><b>925,721</b></u>	<u><b>3,726,181</b></u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><b>\$ 1,366,820</b></u>	<u><b>\$ 925,721</b></u>

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

**TOWN OF BRUDERHEIM****Schedule of Changes in Accumulated Surplus  
For the Year Ended December 31, 2025****(Schedule 1)**

	Unrestricted surplus	Restricted surplus <i>(Note 8)</i>	Equity in tangible capital assets	2025	2024 <i>(Note 15)</i>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	\$ 527,488	\$ 980,513	\$ 15,576,546	<b>\$ 17,084,547</b>	\$ 13,945,156
Annual surplus (deficit)	(299,907)	-	-	<b>(299,907)</b>	3,139,391
Tangible capital asset purchases	(88,629)	-	88,629	-	-
Amortization of tangible capital assets	604,789	-	(604,789)	-	-
Repayment of long-term debt	(56,333)	-	56,333	-	-
Transfers	(199,375)	199,375	-	-	-
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 488,033</b>	<b>\$ 1,179,888</b>	<b>\$ 15,116,719</b>	<b>\$ 16,784,640</b>	<b>\$ 17,084,547</b>

**TOWN OF BRUDERHEIM****Schedule of Net Taxes Available for Municipal Purposes****(Schedule 2)****For the Year Ended December 31, 2025**

	2025 (Budget) (Note 13)	2025 (Actual)	2024 (Actual)
<b>TAXATION</b>	<u>\$ 2,069,874</u>	<u>\$ 2,070,014</u>	<u>\$ 2,055,984</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	(476,782)	<b>(476,782)</b>	(434,349)
County of Lamont Foundation	<u>(74,601)</u>	<u><b>(74,601)</b></u>	<u>(97,250)</u>
	<u>(551,383)</u>	<u><b>(551,383)</b></u>	<u>(531,599)</u>
<b>NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES</b>	<u>\$ 1,518,491</u>	<u>\$ 1,518,631</u>	<u>\$ 1,524,385</u>

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

**TOWN OF BRUDERHEIM**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2025**

**(Schedule 3)**

	2025 (Budget) (Note 13)	<b>2025 (Actual)</b>	2024 (Actual) (Note 15)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 86,090	\$ <b>194,731</b>	\$ 212,503
Local governments (Lamont County)	38,500	<b>44,410</b>	116,404
	124,590	<b>239,141</b>	328,907
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	121,363	<b>63,629</b>	3,359,286
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 245,953</b>	<b>\$ 302,770</b>	<b>\$ 3,688,193</b>

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

**TOWN OF BRUDERHEIM**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2025**

**(Schedule 4)**

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 318,102	\$ 268,476	\$ 170,986	\$ 311,434	\$ -	\$ 449,633	\$ 1,518,631
Sales and user charges	10,273	27,462	-	-	895,285	65	933,085
All other	5,384	3,920	2,685	-	6,166	263,205	281,360
Government transfers	115,531	53,610	-	-	-	70,000	239,141
Rentals	3,247	192,292	100	-	-	-	195,639
Investment income	31,969	-	-	-	-	-	31,969
	<u>484,506</u>	<u>545,760</u>	<u>173,771</u>	<u>311,434</u>	<u>901,451</u>	<u>782,903</u>	<u>3,199,825</u>
<b>EXPENSES</b>							
Salaries, wages and benefits	311,663	280,324	30,657	107,193	277,135	403,489	1,410,461
Contracted services	198,885	78,468	96,964	44,761	261,390	163,255	843,723
Materials, goods, and supplies	29,053	72,621	3,393	46,405	210,696	64,166	426,334
Utilities	7,658	74,994	17,189	88,449	21,608	14,739	224,637
Insurance	31,305	26,353	9,230	4,440	11,679	4,944	87,951
Interest on long-term debt	-	-	16,338	20,186	-	-	36,524
Transfers to local boards and agencies	-	13,000	-	-	-	10,000	23,000
Provision for allowances (recovery)	(94,058)	-	-	-	-	-	(94,058)
	<u>\$ 484,506</u>	<u>\$ 545,760</u>	<u>\$ 173,771</u>	<u>\$ 311,434</u>	<u>\$ 782,508</u>	<u>\$ 660,593</u>	<u>\$ 2,958,572</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>							
	-	-	-	-	118,943	122,310	241,253
Amortization	21,309	120,592	53,676	295,590	112,522	1,100	604,789
<b>NET REVENUE (EXPENSE)</b>	<u>\$ (21,309)</u>	<u>\$ (120,592)</u>	<u>\$ (53,676)</u>	<u>\$ (295,590)</u>	<u>\$ 6,421</u>	<u>\$ 121,210</u>	<u>\$ (363,536)</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, 2024**

**(Schedule 4)**

	General Administration	Recreation & Culture	Protective Services	Transportation Services	Environmental Services	All Other	Total
<b>REVENUE</b>							
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>
<b>EXPENSES</b>							
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>1,562,190</u>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	(2,867)	-	-	-	172,158	178,161	347,452
Amortization	25,309	124,280	60,494	282,935	73,229	1,100	567,347
<b>NET REVENUE (EXPENSE)</b>	<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**  
**Notes to Financial Statements**  
**December 31, 2025**

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**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 and cash equivalents	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)*

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**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

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**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.

*(continues)*

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**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

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**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.

*(m) New Accounting Standards not yet Adopted*

The following standards are effective for fiscal years beginning on or after April 1, 2026.

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

A new presentation standard, PS 1202, will be adopted at the same time that includes changes to the presentation of the statements of financial position, net financial assets or net debt, net assets, including a reconciliation of each component of net assets, and cash flows.

**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

**2. CASH AND CASH EQUIVALENTS**

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 400	\$ 400
Deposit accounts with financial institutions	1,366,420	925,321
	<u>\$ 1,366,820</u>	<u>\$ 925,721</u>

**3. RECEIVABLES**

	<u>2025</u>	<u>2024</u>
Other governments	\$ 854,318	\$ 800,979
Taxes and grants in place of taxes	220,585	561,504
Utilities	79,708	74,159
Trade and other	42,296	66,899
	<u>1,196,907</u>	<u>1,503,541</u>
Less: allowance for doubtful accounts	<u>(29,409)</u>	<u>(123,826)</u>
	<u>\$ 1,167,498</u>	<u>\$ 1,379,715</u>

The age of taxes and grants in place of taxes receivables that are not impaired are as follows:

Current	\$ 125,027	\$ 207,174
1 year	50,566	118,363
2 years	10,651	95,876
3 years	4,557	7,303
Over 3 years	8,962	8,962
	<u>\$ 199,763</u>	<u>\$ 437,678</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>2024</u>	<u>Funds Received</u>	<u>Funds Used</u>	<u>2025</u>
Local Government Fiscal Funding	\$ 188,103	\$ 369,868	\$ (63,629)	\$ 494,342
Canada Community-Building Fund	-	130,719	(77,575)	53,144
Other	36,017	6,667	-	42,684
Donations	20,686	-	(464)	20,222
Other grants	30,000	12,390	(33,517)	8,873
	<u>\$ 274,806</u>	<u>\$ 519,644</u>	<u>\$ (175,185)</u>	<u>\$ 619,265</u>

**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

**5. LONG-TERM DEBT**

	<u>2025</u>	<u>2024</u>
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$33,494 including interest at 3.022% maturing March 2037.	<b>\$ 646,677</b>	\$ 693,069
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$13,193 including interest at 3.683% maturing September 2051.	<b>439,031</b>	448,972
	<b><u>\$ 1,085,708</u></b>	<u>\$ 1,142,041</u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2030	65,828	27,545	93,373
To maturity	776,155	213,363	989,518
	<b><u>\$ 1,085,708</u></b>	<b><u>\$ 370,678</u></b>	<b><u>\$ 1,456,386</u></b>

**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>2025</u>	<u>2024</u>
Total debt limit	<b>\$ 4,799,738</b>	\$ 4,953,162
Total debt	<b>(1,085,708)</b>	(1,142,041)
<b>Total debt limit remaining</b>	<b><u>\$ 3,714,030</u></b>	<u>\$ 3,811,121</u>
Service on debt limit	<b>\$ 799,956</b>	\$ 825,527
Service on debt	<b>(93,374)</b>	(93,374)
<b>Total service on debt limit remaining</b>	<b><u>\$ 706,582</u></b>	<u>\$ 732,153</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**  
**December 31, 2025**

**7. TANGIBLE CAPITAL ASSETS**

	<b>2025</b>	<b>2024</b>
	<b>Net Book</b>	<b>Net Book</b>
	<b>Value</b>	<b>Value</b>
Engineered structures		
Water systems	\$ 5,137,507	\$ 5,170,890
Roadways	4,534,080	4,758,806
Wastewater systems	699,344	727,597
	<b>10,370,931</b>	10,657,293
Buildings	2,834,275	2,953,786
Land	1,478,174	1,478,174
Land improvements	868,022	918,378
Machinery and equipment	610,945	665,867
Vehicles	40,079	45,089
	<b>\$ 16,202,426</b>	<b>\$ 16,718,587</b>

	Cost				Cost
	Beginning of	Purchased	Disposals	Contributed	End of
	Year	Additions		Additions	Year
Engineered structures					
Roadways	\$ 10,887,457	\$ 25,000	-	-	\$ 10,912,457
Water systems	5,434,787	39,654	-	-	5,474,441
Wastewater systems	3,328,904	-	-	-	3,328,904
	19,651,148	64,654	-	-	19,715,802
Buildings	4,889,496	-	-	-	4,889,496
Machinery and equipment	1,429,878	23,975	-	-	1,453,853
Land	1,478,174	-	-	-	1,478,174
Land improvements	1,400,859	-	-	-	1,400,859
Vehicles	290,493	-	-	-	290,493
	<b>\$ 29,140,048</b>	<b>\$ 88,629</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,228,677</b>

	Accumulated				Accumulated
	Amortization	Current	Disposals	Write-downs	Amortization
	Beginning of	Amortization			End of
	Year				Year
Engineered structures					
Roadways	\$ 6,128,651	\$ 249,726	-	-	\$ 6,378,377
Water systems	263,897	73,037	-	-	336,934
Wastewater systems	2,601,307	28,253	-	-	2,629,560
	8,993,855	351,016	-	-	9,344,871
Buildings	1,935,710	119,511	-	-	2,055,221
Machinery and equipment	764,011	78,897	-	-	842,908
Land improvements	482,481	50,356	-	-	532,837
Vehicles	245,404	5,010	-	-	250,414
	<b>\$ 12,421,461</b>	<b>\$ 604,790</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,026,251</b>

**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

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**8. RESTRICTED SURPLUS**

	<u>2025</u>	<u>2024</u>
Utilities infrastructure lifecycle, maintenance & replacement	\$ 699,157	\$ 523,157
Utilities project	151,032	151,032
Utilities levy debt repayment	101,236	101,236
Internal financing	59,537	59,537
Infrastructure lifecycle, maintenance & replacement	36,801	36,801
Major recreation facilities	28,797	28,797
Stabilization	46,859	21,859
Recreation facility debt repayment	18,975	18,975
Land	17,458	17,458
Community investment program	8,355	8,355
Municipal projects	6,681	8,306
Cultural development	5,000	5,000
	<u>\$ 1,179,888</u>	<u>\$ 980,513</u>

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**9. 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 2025 were \$31,364 (2024 - \$30,400).

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**10. TRUST FUNDS**

The Town administers the following trusts on behalf of third parties. As related trust assets are not owned by the Town, the trust funds have been excluded from the financial statements. The following table provides a summary of the transactions within these trusts during the year:

	<u>2024</u>	Additions	Disbursements	<u>2025</u>
Tax sale property proceeds	\$ -	\$ 19,353	\$ -	\$ 19,353

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**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

**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)	2025	2024
Mayor K. Hauch	\$ 10,213	\$ 521	\$ 10,734	\$ 10,013
Mayor R. Ewasiuk	2,198	113	2,311	-
Councillors				
D. Jacobs	8,405	404	8,809	9,283
A. Young	7,735	370	8,105	7,298
A. Carter	6,167	304	6,471	9,497
L. Falardeau	6,317	-	6,317	7,643
G. Campbell	6,057	-	6,057	6,601
L. Quijano Acosta	2,068	106	2,174	-
L. Diaz	1,821	91	1,912	-
W. Olechow	584	17	601	8,095
	<u>\$ 51,565</u>	<u>\$ 1,926</u>	<u>\$ 53,491</u>	<u>\$ 58,430</u>
Designated Officer (1)	<u>15,531</u>	<u>-</u>	<u>15,531</u>	<u>14,916</u>
Chief Administrative Officers (2)	<u>\$ 173,811</u>	<u>\$ 12,696</u>	<u>\$ 186,507</u>	<u>\$ 160,186</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.

**12. 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*).

**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

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**13. BUDGET FIGURES**

The 2025 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on May 7, 2025. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	<u>Budget</u>	<u>Actual</u>
Annual surplus (deficit)	\$ (531,926)	\$ <b>(299,907)</b>
Amortization expense	505,696	<b>604,789</b>
Repayment of long-term debt	(56,302)	<b>(56,333)</b>
Purchase of tangible capital assets	(219,845)	<b>(88,629)</b>
Net transfers (to) from reserves	302,377	<b>(199,375)</b>
	<hr/>	<hr/>
	\$ -	\$ <b>(39,455)</b>

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**TOWN OF BRUDERHEIM**  
**Notes to Financial Statements**  
**December 31, 2025**

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**14. 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, 2025.

*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.

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**15. RESTATEMENT**

It was recently discovered that the Town's 2024 government transfers for capital revenue was overstated by \$136,109.

Comparative figures have been restated to adjust for this.

The effect on the 2024 figures has been to decrease receivables, government transfers for capital revenue, annual surplus and accumulated surplus by \$136,109.

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**16. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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