

VILLAGE OF AMISK

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

VILLAGE OF AMISK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and term deposits (Note 2)	433,530	505,531
Taxes and grants in place of taxes (Note 3)	48,087	28,366
Trade and other receivables	18,908	22,898
Receivable from other governments	116,457	113,391
Other financial assets	896	896
	<u>617,878</u>	<u>671,082</u>
LIABILITIES		
Accounts payable and accrued liabilities	26,108	66,257
Deposits held in trust	450	450
Deferred revenue (Note 4)	4,359	7,956
	<u>30,917</u>	<u>74,663</u>
NET FINANCIAL ASSETS	<u>586,961</u>	<u>596,419</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>2,951,439</u>	<u>2,778,734</u>
ACCUMULATED SURPLUS (NOTE 7)	<u>3,538,400</u>	<u>3,375,153</u>

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (unaudited)	2022	2021
REVENUE			
Net municipal property taxes (Schedule 3)	210,596	206,961	177,878
User fees and sales of goods	116,378	116,051	98,378
Penalties and costs on taxes	-	12,836	6,252
Licenses and permits	10	330	10
Fines	250	97	553
Franchise and concession contracts	5,800	4,658	3,620
Investment income	3,500	8,902	3,586
Rentals	14,750	13,804	15,069
Government transfers for operating	41,356	41,355	62,167
Other	1,454	58,571	4,919
	<u>394,094</u>	<u>463,565</u>	<u>372,432</u>
EXPENSES			
Legislative	16,270	16,079	14,723
Administration	95,755	103,902	113,534
Protective services	24,116	31,972	14,941
Transportation	79,250	94,848	88,342
Water supply and distribution	66,803	67,697	99,324
Wastewater treatment and disposal	19,320	25,656	20,461
Waste management	28,277	29,619	26,852
Public health and welfare	7,000	8,067	7,797
Recreation	11,200	23,912	20,851
Culture	13,737	14,365	17,962
Amortization	85,634	109,324	108,401
	<u>447,362</u>	<u>525,441</u>	<u>534,998</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(53,268)	(61,876)	(162,566)
OTHER			
Government transfers for capital (Schedule 4)	-	225,123	258,177
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(53,268)	163,247	95,611
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,375,153</u>	<u>3,375,153</u>	<u>3,279,542</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>3,321,885</u></u>	<u><u>3,538,400</u></u>	<u><u>3,375,153</u></u>

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CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (unaudited)	2022	2021
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(53,268)	163,247	95,611
Acquisition of tangible capital assets	-	(282,029)	(258,177)
Proceeds on disposal of tangible capital assets	-	-	21,500
Amortization of tangible capital assets	85,634	109,324	108,401
Loss on sale of tangible capital assets	-	-	1,810
	85,634	(172,705)	(126,466)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	32,366	(9,458)	(30,855)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	596,419	596,419	627,274
NET FINANCIAL ASSETS, END OF YEAR	628,785	586,961	596,419

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	163,247	95,611
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	109,324	108,401
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(19,721)	(1,952)
Decrease (increase) in trade and other receivables	3,990	(2,058)
Decrease (increase) in receivable from other governments	(3,066)	10,922
Increase (decrease) in accounts payable and accrued liabilities	(40,149)	42,373
Increase (decrease) in deferred revenue	(3,597)	(64,122)
	210,028	190,985
CAPITAL		
Acquisition of tangible capital assets	(282,029)	(258,177)
Sale of tangible capital assets	-	21,500
	(282,029)	(236,677)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	3,000	65,731
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(69,001)	20,039
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	502,531	482,492
CASH AND CASH EQUIVALENTS, END OF YEAR	433,530	502,531
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash and temporary investments (Note 2)	383,530	298,478
Term deposits (Note 2)	50,000	207,053
Less: restricted portion of cash and temporary investments (Note 2)	-	(3,000)
	433,530	502,531

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SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2022 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
BALANCE, BEGINNING OF YEAR	503,443	92,976	2,778,734	3,375,153	3,279,542
Excess (deficiency) of revenues over expenses	163,247	-	-	163,247	95,611
Unrestricted funds designated for future use	(9,078)	9,078	-	-	-
Current year funds used for tangible capital assets	(282,029)	-	282,029	-	-
Annual amortization expense	109,324	-	(109,324)	-	-
Change in accumulated surplus	(18,536)	9,078	172,705	163,247	95,611
BALANCE, END OF YEAR	484,907	102,054	2,951,439	3,538,400	3,375,153

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022 (Schedule 2)

	LAND	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2022	2021
COST:							
Balance - beginning of year	18,141	320,973	3,869,798	218,246	64,772	4,491,930	4,305,476
Acquisition of tangible capital assets	-	9,842	227,173	45,014	-	282,029	258,177
Disposal of tangible capital assets	-	-	-	-	-	-	(71,723)
Balance - end of year	18,141	330,815	4,096,971	263,260	64,772	4,773,959	4,491,930
ACCUMULATED AMORTIZATION							
Balance - beginning of year	-	125,286	1,461,953	85,249	40,708	1,713,196	1,653,208
Annual amortization	-	7,731	85,572	13,220	2,801	109,324	108,401
Accumulated amortization on disposals	-	-	-	-	-	-	(48,413)
Balance - end of year	-	133,017	1,547,525	98,469	43,509	1,822,520	1,713,196
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	18,141	197,798	2,549,446	164,791	21,263	2,951,439	2,778,734
PRIOR YEAR NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	18,141	195,687	2,407,845	132,997	24,064	2,778,734	

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CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2022 (Schedule 3)

	Budget (Unaudited)	2022	2021
TAXATION			
Real property taxes	226,772	225,120	196,514
Linear property taxes	17,894	20,248	17,954
	<u>244,666</u>	<u>245,368</u>	<u>214,468</u>
REQUISITIONS			
Alberta School Foundation	31,460	35,797	33,828
Hillcrest Lodge	2,610	2,610	2,762
	<u>34,070</u>	<u>38,407</u>	<u>36,590</u>
NET MUNICIPAL TAXES	<u>210,596</u>	<u>206,961</u>	<u>177,878</u>

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CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2022 (Schedule 4)

	Budget (Unaudited)	2022	2021
TRANSFERS FOR OPERATING			
Provincial Government	41,356	41,355	62,167
	<u>41,356</u>	<u>41,355</u>	<u>62,167</u>
TRANSFERS FOR CAPITAL			
Federal Government	-	101,899	73,016
Provincial Government	-	123,224	185,161
	<u>-</u>	<u>225,123</u>	<u>258,177</u>
TOTAL GOVERNMENT TRANSFERS	<u>41,356</u>	<u>266,478</u>	<u>320,344</u>

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CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2022 (Schedule 5)

	Budget (Unaudited)	2022	2021
Expenditures			
Salaries, wages and benefits	140,576	154,405	133,322
Contracted and general services	104,384	116,370	159,436
Materials, goods and utilities	81,997	87,834	80,620
Provision for allowances	-	5,002	7,070
Transfers to other governments	12,734	10,677	8,567
Transfers to local boards and agencies	21,107	37,707	33,418
Transfers to individuals and agencies	-	-	1,482
Bank charges and short term interest	930	982	740
Other expenditures	-	3,140	132
Amortization of tangible capital assets	85,634	109,324	108,401
Loss on disposal of tangible capital assets	-	-	1,810
	<u>447,362</u>	<u>525,441</u>	<u>534,998</u>

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SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2022 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Recreation & Culture	Total
REVENUE							
Net municipal property taxes (Schedule 2)	206,961	-	-	-	-	-	206,961
User fees and sales of goods	-	-	-	116,051	-	-	116,051
Penalties and costs on taxes	12,457	-	-	379	-	-	12,836
Licenses and permits	330	-	-	-	-	-	330
Fines	97	-	-	-	-	-	97
Franchise and concession contracts	4,658	-	-	-	-	-	4,658
Investment income	8,902	-	-	-	-	-	8,902
Rentals	-	-	5,404	-	-	8,400	13,804
Government transfers	34,831	-	-	-	6,524	-	41,355
Other	559	5,000	3,000	1,510	-	48,502	58,571
	<u>268,795</u>	<u>5,000</u>	<u>8,404</u>	<u>117,940</u>	<u>6,524</u>	<u>56,902</u>	<u>463,565</u>
EXPENSES							
Salaries, wages and benefits	65,902	-	38,137	40,740	-	9,626	154,405
Contracted and general services	37,139	4,322	14,814	55,529	2,367	2,199	116,370
Materials, goods and utilities	7,816	2,473	41,897	26,703	-	8,945	87,834
Provision for allowances	5,002	-	-	-	-	-	5,002
Transfers to other governments	-	10,677	-	-	-	-	10,677
Transfers to local boards and agencies	-	14,500	-	-	5,700	17,507	37,707
Bank charges and short term interest	982	-	-	-	-	-	982
Other expenditures	3,140	-	-	-	-	-	3,140
	<u>119,981</u>	<u>31,972</u>	<u>94,848</u>	<u>122,972</u>	<u>8,067</u>	<u>38,277</u>	<u>416,117</u>
NET REVENUE, BEFORE AMORTIZATION	<u>148,814</u>	<u>(26,972)</u>	<u>(86,444)</u>	<u>(5,032)</u>	<u>(1,543)</u>	<u>18,625</u>	<u>47,448</u>
AMORTIZATION AND DISPOSAL OF ASSETS							
Amortization of tangible capital assets	1,815	3,892	45,448	56,087	-	2,082	109,324
NET REVENUE	<u>146,999</u>	<u>(30,864)</u>	<u>(131,892)</u>	<u>(61,119)</u>	<u>(1,543)</u>	<u>16,543</u>	<u>(61,876)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Amisk 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:

a) 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 are, therefore accountable to the Council for the administration of their financial affairs and resources.

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 organizational transactions and balances are eliminated.

b) 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 or 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, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) 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.

e) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

f) Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

g) Tax revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

h) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

j) 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.

k) 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 for the year.

i. 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:

	YEARS
Buildings	50
Engineered structures - other	25
Engineered structures - water	45-75
Engineered structures - wastewater system	45-50
Machinery and equipment	10-20
Vehicles	10-20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and Historical Tangible Capital Assets

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

2. CASH AND TERM DEPOSITS

	<u>2022</u>	<u>2021</u>
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 5)		
Other deferred revenue	-	3,000
	<u>-</u>	<u>3,000</u>
Included in cash and term deposits are amounts designated by council for future expenses and tangible capital asset acquisitions. (Note 8)		
	<u>102,054</u>	<u>92,976</u>
Total restricted cash and term deposits	<u>102,054</u>	<u>98,976</u>
Total unrestricted cash and term deposits	<u>331,476</u>	<u>406,555</u>

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2022</u>	<u>2021</u>
Current taxes and grants in place of taxes	35,741	17,401
Arrears taxes	17,290	10,965
	<u>53,031</u>	<u>28,366</u>
Less: allowance for doubtful accounts	4,944	-
	<u>48,087</u>	<u>28,366</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

4. RECEIVABLE FROM OTHER GOVERNMENTS

Included in receivable from other governments is grant funding from future year funding allocations	<u>2022</u>	<u>2021</u>
Canada Community Building Fund	49,579	-
Municipal Sustainability Initiative - capital	<u>61,612</u>	<u>-</u>
	<u><u>111,191</u></u>	<u><u>-</u></u>

5. DEFERRED INCOME

Deferred income consists of the following:	<u>2022</u>	<u>2021</u>
Canada Community Building Fund	-	2,320
Other deferred revenue	-	3,000
Prepaid property taxes	<u>4,359</u>	<u>2,636</u>
	<u><u>4,359</u></u>	<u><u>7,956</u></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 Village of Amisk be disclosed as follows:

Total debt limit	<u>2022</u>	<u>2021</u>
Total debt	695,348	558,648
Surplus debt limit	<u>-</u>	<u>-</u>
	<u><u>695,348</u></u>	<u><u>558,648</u></u>
Debt servicing limit	115,891	93,108
Debt servicing	-	-
Surplus debt servicing	<u>115,891</u>	<u>93,108</u>

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, which 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

	<u>2022</u>	<u>2021</u>
Tangible capital assets (Schedule 2)	4,773,959	4,491,930
Accumulated amortization (Schedule 2)	<u>(1,822,520)</u>	<u>(1,713,196)</u>
	<u><u>2,951,439</u></u>	<u><u>2,778,734</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

8. ACCUMULATED SURPLUS

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

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	<u>484,907</u>	<u>503,443</u>
Restricted surplus		
Public works	60,000	60,000
Water system	8,527	3,988
Wastewater system	<u>33,527</u>	<u>28,988</u>
	<u>102,054</u>	<u>92,976</u>
Equity in tangible capital assets	<u>2,951,439</u>	<u>2,778,734</u>
	<u><u>3,538,400</u></u>	<u><u>3,375,153</u></u>

9. SEGMENTED DISCLOSURE

The Village of Amisk provides a range of services to its ratepayers. 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.

Refer to the Schedule of Segmented Disclosure (schedule 6)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

10. SALARY AND BENEFITS DISCLOSURE

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

	2022			2021
	Salary	Benefits & Allowances	Total	Total
Adams	3,255	-	3,255	3,810
Hill	-	-	-	2,160
Johnson	3,480	-	3,480	1,080
Rock	4,130	-	4,130	4,920
CAO	45,558	3,581	49,139	56,610
Designated Officer (1)	4,797	-	4,797	4,512

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.

11. CONTINGENCIES

The village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The village is a member of the M.D. #52 Waste Management Authority. Under the terms of the membership, the village could become liable for its proportionate share of any landfill closure and post-closure costs in excess of the funds held by the authority. Any liability incurred would be accounted for as a current transaction in the year the shortfall is determined.

12. CONTAMINATED SITES LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

13. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes receivable and trade 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.

Unless otherwise noted, the fair value of these financial instruments approximates their fair value.

14. COMPARITIVE FIGURES

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

15. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.