

**Brazeau County**  
**Consolidated Financial Statements**  
**For the year ended December 31, 2002**

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**Consolidated Financial Statements**  
**For the year ended December 31, 2002**

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	<b>Contents</b>
<b>Auditors' Report</b>	<b>2</b>
<b>Consolidated Financial Statements</b>	
Consolidated Balance Sheet	<b>3</b>
Consolidated Statement of Reserves	<b>4</b>
Statement of Equity in Physical Assets	<b>5</b>
Consolidated Statement of Revenue and Expenditures	<b>6</b>
Consolidated Statement of Changes in Financial Position	<b>7</b>
Summary of Significant Accounting Policies	<b>8</b>
Notes to Consolidated Financial Statements	<b>11</b>
Schedule 1 - Capital Fund Activities	<b>18</b>
Schedule 2 - Operating Fund Activities	<b>19</b>
Schedule 3 - Consolidated Expenditures by Object	<b>20</b>

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## Auditors' Report

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**To the Reeve and Council of  
Brazeau County**

We have audited the consolidated balance sheet of Brazeau County as at December 31, 2002 and the consolidated statements of reserves, equity in physical assets, revenue and expenditures, and changes in financial position for the year then ended. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2002 and the results of its financial activities and changes in its financial position for the year then ended in accordance with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.

We do not express an opinion on the budgeted information included with these consolidated financial statements.

*BDO Dunwoody LLP*

Chartered Accountants

Edmonton, Alberta  
February 21, 2003



**BDO Dunwoody LLP**  
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## Auditors' Report

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### To the Reeve and Council of Brazeau County

We have audited the consolidated balance sheet of Brazeau County as at December 31, 2002 and the consolidated statements of reserves, equity in physical assets, revenue and expenditures, and changes in financial position for the year then ended. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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We do not express an opinion on the budgeted information included with these consolidated financial statements.

*BDO Dunwoody LLP*

Chartered Accountants

Edmonton, Alberta  
February 21, 2003

**Brazeau County  
Consolidated Balance Sheet**

December 31	2002	2001
<b>Assets</b>		
<b>Financial assets</b>		
Cash	\$ 461,082	\$ 1,572,562
Investments (Note 1)	6,193,431	3,287,480
Accounts receivable (Note 2)	1,275,539	2,238,061
Prepaid expenses	44,015	41,209
Recoverable costs	-	62,196
Debt charges recoverable (Note 3)	256,981	290,607
	8,231,048	7,492,115
<b>Physical assets (Note 4)</b>	<b>43,248,512</b>	<b>40,206,771</b>
	<b>\$ 51,479,560</b>	<b>\$ 47,698,886</b>

**Liabilities and Municipal Position**

<b>Accounts payable and other liabilities</b>	\$ 939,858	\$ 1,755,199
<b>Deferred revenue</b>	24,039	105,026
<b>Debentures payable (Note 5)</b>	579,965	1,720,626
	<b>1,543,862</b>	<b>3,580,851</b>

**Contingencies (Note 8)**

<b>Municipal position</b>		
Capital fund (Schedule 1)	1,069,413	90,845
Operating fund (Schedule 2)	500,804	462,046
Equity in physical assets	41,129,183	36,917,016
Reserves	7,236,298	6,648,128
	<b>49,935,698</b>	<b>44,118,035</b>
	<b>\$ 51,479,560</b>	<b>\$ 47,698,886</b>

On behalf of Council:

\_\_\_\_\_ Councillor

\_\_\_\_\_ Councillor

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

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**Brazeau County**  
**Consolidated Statement of Reserves**

<b>For the year ended December 31</b>	<b>2002</b>	<b>2001</b>
<b>Balance, beginning of year</b>	<b>\$ 6,648,128</b>	<b>\$ 7,089,760</b>
<b>Add (deduct)</b>		
Transfer to capital fund	(903,194)	(912,591)
Transfer from operating surplus	972,914	-
Transfer from (to) operations	581,841	(67,025)
Reclassified from (to) equity in physical assets	(63,391)	537,984
<b>Balance, end of year (Note 6)</b>	<b>\$ 7,236,298</b>	<b>\$ 6,648,128</b>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

**Brazeau County**  
**Statement of Equity in Physical Assets**

<b>For the year ended December 31</b>	<b>2002</b>	<b>2001</b>
<b>Balance, beginning of year</b>	<b>\$ 36,917,016</b>	<b>\$ 50,113,538</b>
<b>Add (deduct)</b>		
Physical asset additions	4,783,766	7,047,097
Debt principal repaid on debentures issued on physical assets	72,034	121,323
Net change in inventory for the year	(63,391)	537,984
Cost of physical assets disposed	(1,678,633)	(644,503)
Debt issued on physical assets	-	(1,035,000)
Debt assumed by Town of Drayton Valley	1,035,000	-
Cost of provincial highways no longer under the responsibility of the County (Note 4)	-	(18,685,439)
Reclassified from (to) reserves	63,391	(537,984)
<b>Balance, end of year</b>	<b>\$ 41,129,183</b>	<b>\$ 36,917,016</b>
<b>Consists of</b>		
Capital assets	\$ 41,452,167	\$ 38,347,035
Inventory	1,796,345	1,859,736
Debentures payable for the acquisition of physical assets	(322,984)	(1,430,019)
	42,925,528	38,776,752
Less gravel inventory adjustment reserve	(1,796,345)	(1,859,736)
	<b>\$ 41,129,183</b>	<b>\$ 36,917,016</b>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

**Brazeau County**  
**Consolidated Statement of Revenue and Expenditures**

<b>For the year ended December 31</b>	<b>2002 Budget</b>	<b>2002 Actual</b>	<b>%</b>	<b>2001 Actual</b>
<b>Revenue</b>				
Taxes and grants in lieu	\$ 18,018,342	\$ 17,948,342	135.02	\$ 17,662,712
Return on investments	375,000	262,306	1.97	403,127
Sales of goods and services	173,073	286,180	2.15	233,141
Penalties on taxes	71,550	69,435	0.52	65,237
Provincial and federal government grants	1,011,458	1,433,404	10.78	2,551,771
Other	476,080	977,667	7.35	508,323
Proceeds on disposition of physical assets	387,638	239,614	1.80	344,045
Cash in lieu of parks	-	5,070	0.04	63,718
	<b>20,513,141</b>	<b>21,222,018</b>	<b>159.63</b>	<b>21,832,074</b>
<b>Less requisitions</b>				
School Foundation Program	(7,821,607)	(7,751,186)	(58.31)	(7,706,283)
Brazeau Seniors Foundation	(178,000)	(177,412)	(1.33)	(177,041)
	<b>12,513,534</b>	<b>13,293,420</b>	<b>99.99</b>	<b>13,948,750</b>
<b>Expenditures</b>				
Capital (Schedule 1)	5,160,347	4,783,766	41.41	7,047,097
Operating (Schedule 2)	7,968,360	6,768,733	58.59	8,734,576
	<b>13,128,707</b>	<b>11,552,499</b>	<b>100.00</b>	<b>15,781,673</b>
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<b>(615,173)</b>	<b>1,740,921</b>		<b>(1,832,923)</b>
<b>Net transfers from reserves</b>	<b>651,674</b>	<b>321,353</b>		<b>979,616</b>
<b>Debt issued on physical assets</b>	<b>-</b>	<b>-</b>		<b>1,035,000</b>
<b>Principal repaid on debentures issued on physical assets</b>	<b>(117,222)</b>	<b>(72,034)</b>		<b>(121,323)</b>
<b>Transfer of operating surplus to reserves</b>	<b>-</b>	<b>(972,914)</b>		<b>-</b>
<b>Increase (decrease) in fund balances for the year</b>	<b>\$ (80,721)</b>	<b>\$ 1,017,326</b>		<b>\$ 60,370</b>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.



**Brazeau County**  
**Consolidated Statement of Changes in Financial Position**

<b>For the year ended December 31</b>	<b>2002</b>	<b>2001</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ 1,740,921	\$ (1,832,923)
Changes in non-cash working capital balances		
Accounts receivable	962,522	(532,535)
Prepaid expenses	(2,806)	(31,525)
Accounts payable and other liabilities	(815,340)	773,950
Deferred revenue	(80,987)	(142,799)
Unexpended grants	-	(8,134)
	<u>1,804,310</u>	<u>(1,773,966)</u>
<b>Investing activities</b>		
Debt charges received	33,626	31,770
Recoverable costs received	62,196	57,000
	<u>95,822</u>	<u>88,770</u>
<b>Financing activities</b>		
Debt issued	-	1,035,000
Debenture principal repaid	(105,661)	(153,093)
	<u>(105,661)</u>	<u>881,907</u>
<b>Increase (decrease) in cash and investments during the year</b>	<b>1,794,471</b>	<b>(803,289)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,860,042</b>	<b>5,663,331</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,654,513</b>	<b>\$ 4,860,042</b>
<b>Represented by</b>		
Cash	\$ 461,082	\$ 1,572,562
Investments	6,193,431	3,287,480
	<u>\$ 6,654,513</u>	<u>\$ 4,860,042</u>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

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## **Brazeau County**

### **Summary of Significant Accounting Policies**

**December 31, 2002**

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These consolidated financial statements are the representations of the County's management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the County are as follows:

<b>Reporting Entity</b>	<p>During the year, the County changed its name from Municipal District of Brazeau No. 77 to Brazeau County.</p> <p>These consolidated financial statements include the assets, liabilities, revenue and expenditures and changes in equity balances and in financial position of the County. This entity is comprised of all the organizations that are owned or controlled by the County and are, therefore, accountable to the Council for the administration of their financial affairs and resources.</p>
<b>Fund Accounting</b>	<p>For reporting purposes, established funds consist of the operating fund and the capital fund. Transfers between funds are recorded as adjustments to the appropriate equity account. Capital fund debt principal and interest payments are recorded as operating fund expenditures. Proceeds from sales of land held for resale are recorded as operating fund revenue.</p> <p>The operating and capital funds are further segregated by functions which relate to specific areas of activity.</p> <p>These consolidated financial statements include the consolidated results of the operating, capital and reserve funds. Gross recoveries representing internal operating charges between functions for the provision of goods or services are excluded from these consolidated financial statements.</p>
<b>Pension Expenditures</b>	<p>The County participates in a multi-employer defined benefit pension plan. This plan is accounted for as a defined contribution plan. Under this method, contributions for current and past service pension benefits are recorded as expenditures in the year they become due.</p>
<b>Government Transfers</b>	<p>Government transfers are recognized in these consolidated financial statements as revenue in the period that the events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met by the County and reasonable estimates of the amounts can be made.</p>
<b>Investments</b>	<p>Investments are recorded at cost.</p>
<b>Inventory</b>	<p>Gravel inventory is recorded at cost.</p>

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**Brazeau County**  
**Summary of Significant Accounting Policies**

**December 31, 2002**

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**Physical Assets**

Physical assets are reported as expenditures in the period they are acquired and are recorded at cost.

Government grants for the acquisition of physical assets are recorded as revenue in the capital fund and do not reduce the related physical asset cost.

No amortization is recorded on physical assets.

**Debt Charges Recoverable**

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures pursuant to joint capital undertakings. The recoveries are recorded at a value that equals the offsetting portion of the unmatured debenture.

**Prepaid Local Improvements**

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the County.

Where a ratepayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on the straight line basis over the remaining term of the related borrowings. In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

**Allowances for Operating  
and Physical Assets**

Allowances for asset valuations are netted against the related assets and are segregated between operating and capital purposes. Increases in allowances are recorded as expenditures, while decreases in allowances are recorded as revenue in the respective operating and capital funds.

**Reserves for  
Future Expenditures**

Reserves are established at the discretion of Council to set aside amounts for future operating and capital expenditures. Transfers to and/or from reserves are reflected as adjustments to the respective fund.

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## **Brazeau County** **Summary of Significant Accounting Policies**

**December 31, 2002**

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<b>Equity in Physical Assets</b>	Equity in physical assets represents the County's net investment in its total physical assets after deducting the portion financed by third parties through debentures and other capital liabilities.
<b>Capital Fund</b>	The capital fund consists of any revenue received or amounts transferred to the capital fund but unexpended at year end, reduced by any capital expenditures incurred but not financed at year end and any amounts transferred out of the capital fund.
<b>Excess Collections and Under-levies</b>	<p>Excess collections and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and shown as an "other" operating expenditure.</p> <p>In situations where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and reflected as operating revenue.</p> <p>Requisition mill-rates in the subsequent year are adjusted for any excess collections or under-levies of the prior year. Amounts previously accrued for excess collections are included in "other" operating revenue.</p>
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 reporting period. Where measurement uncertainty exists, these consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates as additional information becomes available in the future.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.

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**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

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**1. Investments**

Investments consist primarily of term deposits and bonds bearing interest at 2.75% to 2.85%, with maturity dates no greater than 90 days.

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**2. Accounts Receivable**

	<u>2002</u>	<u>2001</u>
Taxes and grants in lieu	\$ 618,148	\$ 547,432
Trade and other	391,723	85,258
Receivable from other governments	<u>265,668</u>	<u>1,605,371</u>
	<u>\$ 1,275,539</u>	<u>\$ 2,238,061</u>

A significant portion of the property taxes outstanding at December 31, 2002 relate to linear property and, therefore, are receivable from companies in the oil and gas industry. Therefore, the County is exposed to the credit risk associated with fluctuations in that industry. In addition, accounts receivable includes \$114,500 in dispute. The County has made no allowance for this receivable as management believes that they will be able to collect this amount.

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**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

**3. Debt Charges Recoverable**

	<b>2002</b>	<b>2001</b>
Current debt charges recoverable	\$ 35,591	\$ 33,626
Non-current debt charges recoverable	221,390	256,981
	<b>\$ 256,981</b>	<b>\$ 290,607</b>

The County has undertaken a joint landfill development project with the Town of Drayton Valley. In 1999, the County assumed additional long-term financing totalling \$74,856, however the full amount plus interest at 6.25% is recoverable from the Drayton Valley Regional Sanitary Landfill Authority. The amount is recoverable in annual payments of \$10,291 including interest and matures October 15, 2009. During 1998, the County assumed long-term financing totalling \$300,612. The full amount plus interest at 5.75% is also recoverable from the Drayton Valley Regional Sanitary Landfill Authority. The amount is recoverable in annual payments of \$40,361 including interest and matures December 15, 2008.

Principal and interest payments due in each of the next five years and thereafter are as follows:

Year	Principal	Interest	Total
2003	\$ 35,591	\$ 15,061	\$ 50,652
2004	37,672	12,981	50,653
2005	39,873	10,779	50,652
2006	42,204	8,448	50,652
2007	44,671	5,981	50,652
Thereafter	56,970	3,975	60,945
	<b>\$ 256,981</b>	<b>\$ 57,225</b>	<b>\$ 314,206</b>

**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

**4. Physical Assets**

	2002	2001
<b>Capital assets</b>		
Land	\$ 503,708	\$ 503,708
Buildings	1,536,588	1,529,779
Engineering structures	32,837,551	29,672,542
Machinery, equipment and furnishings	5,333,076	5,481,234
Vehicles	1,241,244	1,159,772
	41,452,167	38,347,035
<b>Inventory</b>	1,796,345	1,859,736
	\$ 43,248,512	\$ 40,206,771

In 2001, the province assumed responsibility for provincial highways previously maintained by the County. As a result, engineering structures were reduced by \$18,685,439 at that time.

**5. Debentures Payable**

	2002	2001
Tax-supported debentures	\$ 441,196	\$ 1,567,061
Self-supported debentures	138,769	153,565
	\$ 579,965	\$ 1,720,626

Principal and interest payments due in each of the next five years and thereafter are as follows:

Year	Principal	Interest	Total
2003	\$ 112,413	\$ 37,165	\$ 149,578
2004	85,918	29,941	115,859
2005	78,112	23,977	102,089
2006	82,880	19,209	102,089
2007	80,309	14,142	94,451
Thereafter	140,333	41,784	182,117
	\$ 579,965	\$ 166,218	\$ 746,183

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at rates ranging from 5.25% to 12.0% and matures in years 2003 through 2023.

Expenditures include interest expense related to the debentures of \$40,855 (2001 - \$54,845).

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**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

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**6. Reserves**

	2002	2001
<b>Operating reserves</b>		
General operating	\$ 3,708,606	\$ 3,320,257
Family and community support services	30,555	62,703
Senior citizens' transportation grant	7,661	12,661
Rural addressing	-	299,524
Breton library	60,000	30,000
Rural recreation initiative	266,501	-
	<b>4,073,323</b>	<b>3,725,145</b>
<b>Capital reserves</b>		
Equipment replacement	929,955	778,844
Fire equipment	275,000	175,000
Cash in lieu of parks	111,675	109,403
Gravel inventory	1,796,345	1,859,736
Breton fire station	50,000	-
	<b>3,162,975</b>	<b>2,922,983</b>
<b>Total reserves</b>	<b>\$ 7,236,298</b>	<b>\$ 6,648,128</b>

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**7. Commitments**

Under various cost sharing agreements, the County is responsible for an agreed share (based on usage by the residents) of the operating deficit of various agencies in order to secure the right to the use of the facilities for the County's residents. These agreements provide for the reimbursement of the operating deficit for each fiscal period within a specified time period after the fiscal period end.

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**8. Contingent Liabilities**

Under the terms of the landfill agreement, the County could become liable for a proportionate share of any unfunded future reclamation costs and other liabilities of the landfill authority.

In addition, the County is defendant in a lawsuit related to alleged property contamination amounting to \$750,000. At present, the outcome is not determinable. The amount of any future settlement would be accounted for as a current transaction in the year of settlement.

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**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

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**9. Trust Funds**

Trust funds result when proceeds from property sales exceed the outstanding tax arrears at the time of sale, plus the return on those funds. At December 31, 2002, \$6,744 (2001 - \$6,599) was held in a segregated trust account and may be payable, on application, to the previous owner. These trust funds are not included on the balance sheet.

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**10. Honouraria and Benefits Disclosure**

	2002		2001	
Name <sup>1</sup>	Salary <sup>2</sup>	Benefits and Allowances <sup>3</sup>	Total	Total
B. Guyon	\$ 37,314	\$ 1,562	\$ 38,876	\$ 17,844
J. Starling	17,637	928	18,565	16,133
A. Heinrich	23,510	1,130	24,640	21,204
D. Ellis	23,317	1,455	24,772	19,338
R. Sekura	19,466	981	20,447	5,400
M. Schwab	-	-	-	16,101
Manager	79,286	2,400	81,686	79,181
	\$ 200,530	\$ 8,456	\$ 208,986	\$ 175,201

- <sup>1</sup> Reeve - B. Guyon (2001 - B. Guyon)  
Deputy Reeve - J. Starling (2001 - J. Starling) (9 month term - rotates among councillors)  
Others are councillors.
  - <sup>2</sup> Honouraria includes gross honouraria and any other direct cash remuneration.
  - <sup>3</sup> Benefits and allowances for councillors include the employer's share of all payments made on behalf of the councillors including CPP and health care premiums. Benefits and allowances for the manager includes a \$2,400 travel allowance.
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**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

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**11. Pension Costs**

Employees of the County participate in the Local Authorities Pension Plan (the "Plan"), which is covered by the Public Sector Pension Plans Act. The Plan serves about 133,000 people and approximately 389 employers. It is financed by employer and employee contributions and investment earnings of the Plan.

The County is required to make current service contributions to the Plan of 5.025% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 6.9% for the excess.

Total current service contributions by the County to the Plan in 2002 were \$34,500 (2001 - \$37,800). Total current service contributions by the employees of the County to the Plan in 2002 were \$27,700 (2001 - \$30,400).

At December 31, 2001, the Plan disclosed an actuarial surplus of \$635 million.

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**12. 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 County, be disclosed as follows:

Total debt limit	\$ 18,816,545
Total debt	<u>579,965</u>
Amount of unused debt limit	<u>\$ 18,236,580</u>
Service on debt limit	\$ 3,136,091
Service on debt	<u>149,578</u>
Amount of unused debt servicing limit	<u>\$ 2,986,513</u>

The debt limit is calculated at 1.5 times revenue of the County (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 County. Rather, the financial statements must be interpreted as a whole.

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**13. Financial Instruments**

The County's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and other liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying value.

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**Brazeau County**  
**Notes to Consolidated Financial Statements**

**December 31, 2002**

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**14. Comparative Figures**

Comparative figures have been reclassified to conform with the current year's financial statement presentation.

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**Brazeau County**  
**Schedule 1 - Capital Fund Activities**

<b>For the year ended December 31</b>	<b>2002 Budget</b>	<b>2002</b>	<b>2001</b>
<b>Revenue</b>			
Provincial and federal grants	\$ 515,778	\$ 749,057	\$ 1,592,385
Proceeds on disposition of physical assets	387,638	239,614	344,045
Cash in lieu of parks	-	5,070	63,718
Other	80,000	117,106	135,184
	<b>983,416</b>	<b>1,110,847</b>	<b>2,135,332</b>
<b>Expenditures</b>			
General administration	17,000	51,974	5,614
Firefighting services	167,721	44,321	32,730
Roads, streets and lights	4,589,926	4,481,596	5,832,576
Water supply and distribution	211,700	196,268	1,169,933
Water waste treatment and disposal	50,000	6,809	-
Economic and agricultural development	-	-	6,244
Parks and recreation	124,000	2,798	-
	<b>5,160,347</b>	<b>4,783,766</b>	<b>7,047,097</b>
<b>Deficiency of revenue over expenditures for the year</b>	<b>(4,176,931)</b>	<b>(3,672,919)</b>	<b>(4,911,765)</b>
<b>Net interfund transfers</b>			
From reserves	1,295,099	903,194	912,591
From operating fund	2,801,111	3,748,293	3,020,018
<b>Debt issued on physical assets</b>	<b>-</b>	<b>-</b>	<b>1,035,000</b>
<b>Increase (decrease) in fund balance for the year</b>	<b>(80,721)</b>	<b>978,568</b>	<b>55,844</b>
<b>Fund balance, beginning of year</b>	<b>80,721</b>	<b>90,845</b>	<b>35,001</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 1,069,413</b>	<b>\$ 90,845</b>

**Brazeau County**  
**Schedule 2 - Operating Fund Activities**

<b>For the year ended December 31</b>	<b>2002 Budget</b>	<b>2002</b>	<b>2001</b>
<b>Revenue</b>			
Taxes and grants in lieu	\$ 18,018,342	\$ 17,948,342	\$ 17,662,712
Return on investments	375,000	262,306	403,127
Sales of goods and services	173,073	286,180	233,141
Penalties on taxes	71,550	69,435	65,237
Provincial, federal and local government grants	495,680	684,347	959,386
Other	396,080	860,561	373,139
	<b>19,529,725</b>	<b>20,111,171</b>	<b>19,696,742</b>
<b>Less requisitions</b>			
School Foundation Program	(7,821,607)	(7,751,186)	(7,706,283)
Brazeau Seniors Foundation	(178,000)	(177,412)	(177,041)
	<b>11,530,118</b>	<b>12,182,573</b>	<b>11,813,418</b>
<b>Expenditures</b>			
Council	126,468	138,010	119,752
General and administration	1,185,617	1,083,259	1,079,577
Enforcement	85,998	92,116	75,069
Firefighting services	279,020	233,833	253,494
Bylaw enforcement and disaster services	124,363	114,320	902,245
Roads, streets and lights	4,013,604	3,408,842	4,411,761
Water supply and distribution	57,622	71,923	115,516
Waste water treatment and disposal	175,168	100,252	105,546
Waste management	340,258	370,300	314,900
Family and community support services	181,130	175,958	153,305
Economic and agricultural development	500,423	333,242	431,309
Land use planning, zoning and development	265,052	185,146	249,404
Parks and recreation	290,253	340,652	348,388
Culture - libraries	343,384	120,880	174,310
	<b>7,968,360</b>	<b>6,768,733</b>	<b>8,734,576</b>
<b>Excess of revenue over expenditures for the year</b>	<b>3,561,758</b>	<b>5,413,840</b>	<b>3,078,842</b>
<b>Net interfund transfers</b>			
To capital fund	(2,801,111)	(3,748,293)	(3,020,018)
From (to) reserves	(643,425)	(581,841)	67,025
<b>Principal repaid on debentures issued on physical assets</b>	<b>(117,222)</b>	<b>(72,034)</b>	<b>(121,323)</b>
<b>Increase in fund balance for the year</b>	<b>-</b>	<b>1,011,672</b>	<b>4,526</b>
<b>Fund balance, beginning of year</b>	<b>462,046</b>	<b>462,046</b>	<b>457,520</b>
<b>Transfer to reserves</b>	<b>-</b>	<b>(972,914)</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 462,046</b>	<b>\$ 500,804</b>	<b>\$ 462,046</b>

**Brazeau County**  
**Schedule 3 - Consolidated Expenditures by Object**

<b>For the year ended December 31</b>	<b>2002 Budget</b>	<b>2002</b>	<b>2001</b>
Salaries, wages and benefits	\$ 2,785,532	\$ 2,490,500	\$ 2,442,524
Contracted and general services	1,836,606	1,414,240	2,703,229
Materials, goods and utilities	1,836,911	1,573,095	2,186,267
Provision for allowances	200,000	15,522	156,409
Transfers to other governments	930,629	997,814	938,826
Transfers to local boards and agencies	212,020	199,499	191,930
Transfers to individuals and organizations	57,771	36,653	59,226
Bank charges	582	554	1,320
Interest on long-term debt	107,856	40,855	54,845
Physical assets acquired	5,160,347	4,783,766	7,047,097
	<b>\$ 13,128,254</b>	<b>\$ 11,552,498</b>	<b>\$ 15,781,673</b>