VILLAGE OF LONGVIEW

Consolidated Financial Statements

Year Ended December 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of theVillage of Longview is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Village's financial position as of December 31, 2025 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Village council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Audit Committee with and without the presence of management. The Village council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Cascada LLP Chartered Professional Accountants, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

Mr. Roy Tutschek, CAO

Longview, AB
April 29, 2026

Rory Duce, CPA, CA*
Roxanne Hicklin, CPA*

*Denotes Professional Corporation and Partner

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Village of Longview

Opinion

We have audited the consolidated financial statements of Village of Longview (the "Village"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2025, and the consolidated results of its operations and its consolidated changes in nets assets and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Village in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor’s report thereon, included in the “Annual Report.”

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor’s report therein, included in the “Annual Report,” as at the date of this auditor’s report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

(continues)

Independent Auditor's Report to the Mayor and Members of Council of the Village of Longview *(continued)*

In preparing the consolidated financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Cascada LLP

Nanton, Alberta
April 25, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF LONGVIEW
Consolidated Statement of Financial Position
December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash *(Note 3)*	**$ 1,906,768**	$ 1,427,566
Taxes and grants in place of taxes receivable *(Note 4)*	**71,216**	43,347
Trade and other receivables *(Note 4)*	**601,345**	609,820
Receivable from other governments *(Note 4)*	**-**	27,291
	2,579,329	2,108,024
LIABILITIES		
Accounts payable and accrued liabilities	**109,542**	89,146
Deferred revenue and deposits *(Note 5)*	**434,537**	39,351
Long term debt *(Note 7)*	**406,968**	437,536
	951,047	566,033
NET FINANCIAL ASSETS	**1,628,282**	1,541,991
NON-FINANCIAL ASSETS		
Prepaid expenses	**7,339**	9,934
Tangible and intangible capital assets *(Schedule 2)*	**10,900,156**	11,042,857
	10,907,495	11,052,791
ACCUMULATED SURPLUS *(Note 10) (Schedule 1)*	**$ 12,535,777**	$ 12,594,782

CONTINGENT LIABILITY *(Note 14)*

Approved on behalf of Council:

Mayor

Councillor

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Operations

Year Ended December 31, 2025

	Budget *(Unaudited)*	**2025**	2024
REVENUES			
Net municipal property taxes *(Schedule 3)*	$ 359,623	**$ 359,619**	$ 349,268
User fees and sale of goods	510,240	**523,978**	413,648
Provincial government *(Schedule 4)*	45,732	**43,730**	40,158
Investment income	55,000	**44,746**	66,590
Penalties and cost of taxes	15,200	**6,544**	16,278
Licenses and permits	237,100	**64,500**	10,425
Other	2,958	**3,662**	16,304
	1,225,853	**1,046,779**	912,671
EXPENSES			
General government			
Council and other legislative	29,350	**17,635**	20,486
General administration	334,230	**336,547**	309,066
Protective services			
Police	104,000	**104,818**	6,803
Fire	10,000	**7,403**	9,041
Transportation			
Roads, streets, walks and lighting	160,600	**203,266**	176,373
Planning and development			
Land use planning, zoning and development	43,325	**39,541**	21,317
Public health and welfare			
Family and community support	16,190	**18,142**	15,590
Recreation and culture			
Parks and recreation	52,283	**96,645**	94,731
Libraries, museums, and halls	22,585	**35,922**	30,889
Environmental use and protection			
Water supply and distribution	200,400	**248,960**	230,669
Wastewater treatment and disposal	64,600	**187,050**	184,433
Waste management	8,500	**8,273**	8,068
	1,046,063	**1,304,202**	1,107,466
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE	179,790	**(257,423)**	(194,795)
CAPITAL REVENUE			
Provincial government *(Schedule 4)*	500,000	**198,418**	422,452
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	$ 679,790	**$ (59,005)**	$ 227,657

The accompanying notes are an integral part of these financial statements

	Budget *(Unaudited)*	**2025**	2024
ACCUMULATED OPERATING SURPLUS - BEGINNING OF YEAR	$ 12,367,125	**$ 12,594,782**	$ 12,367,125
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	679,790	**(59,005)**	227,657
ACCUMULATED OPERATING SURPLUS - END OF YEAR	$ 13,046,915	**$ 12,535,777**	$ 12,594,782

The accompanying notes are an integral part of these financial statements

VILLAGE OF LONGVIEW
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2025

	Budget *(Unaudited)*	**2025**	2024
EXCESS OF REVENUE OVER EXPENSES	$ 679,790	**$ (59,005)**	$ 227,657
Acquisition of tangible capital assets	(650,000)	**(218,635)**	(422,452)
Amortization of tangible capital assets		**355,350**	355,683
Amortization of intangible capital assets		**5,727**	5,727
Decrease (increase) in prepaid expenses		**2,595**	(3,082)
Gain/loss on capital assets		**259**	
	(650,000)	**145,296**	(64,124)
INCREASE IN NET FINANCIAL ASSETS	29,790	**86,291**	163,533
NET FINANCIAL ASSETS - BEGINNING OF YEAR	1,541,991	**1,541,991**	1,378,458
NET FINANCIAL ASSETS - END OF YEAR	$ 1,571,781	**$ 1,628,282**	$ 1,541,991

The accompanying notes are an integral part of these financial statements

	2025	2024
OPERATING ACTIVITIES		
Annual surplus (deficit)	**$ (59,005)**	$ 227,657
Items not affecting cash:		
Amortization of tangible capital assets	**355,350**	355,683
Amortization of intangible capital assets	**5,727**	5,727
Loss on disposal of tangible capital assets	**259**	
	302,331	589,067
Changes in non-cash working capital:		
Taxes and grants in place of taxes receivable	**(27,869)**	28,892
Trade and other receivables	**8,475**	33,028
Receivable from other governments	**27,291**	(27,291)
Accounts payable and accrued liabilities	**20,395**	8,467
Deferred revenue and deposits	**395,186**	(97,780)
Prepaid expenses	**2,595**	(3,082)
	426,073	(57,766)
Cash flow from operating activities	**728,404**	531,301
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	**(218,635)**	(422,452)
Decrease (increase) in restricted cash	**(395,186)**	97,780
Cash flow used by investing activities	**(613,821)**	(324,672)
FINANCING ACTIVITY		
Repayment of long term debt	**(30,567)**	(29,368)
INCREASE IN CASH FLOW	**84,016**	177,261
Cash - beginning of year	**1,388,215**	1,210,954
CASH - END OF YEAR *(Note 3)*	**$ 1,472,231**	$ 1,388,215
CASH CONSISTS OF:		
Cash	**$ 1,906,768**	$ 1,427,566
Less restricted portion of cash	**(434,537)**	(39,351)
	$ 1,472,231	$ 1,388,215

The accompanying notes are an integral part of these financial statements

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible and Intangible Capital Assets	Total Accumulated Surplus
ACCUMULATED SURPLUS				
BALANCE, BEGINNING OF YEAR	$ 1,163,420	$ 826,041	$ 10,605,321	$ 12,594,782
Excess (shortfall) of revenue over expenses	(59,005)			(59,005)
Unrestricted funds designated for future use	(61,000)	61,000		
Restricted funds used for operations	18,050	(18,050)		
Restricted funds used for tangible capital assets		(19,313)	19,313	
Current year funds used for tangible capital assets	(199,322)		199,322	
Annual amortization expense of tangible capital assets	355,350		(355,350)	
Annual amortization expense of intangible capital assets	5,727		(5,727)	
Net book value of tangible capital assets disposed	259		(259)	
Long term debt related to tangible capital assets repaid	(30,567)		30,567	
BALANCE, END OF YEAR	$ 1,192,912	$ 849,678	$ 10,493,187	$ 12,535,777

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Intangible Assets	2025	2024
COST									
Balance, beginning of year	$ 826,895	$ 539,335	$ 1,965,688	$ 13,657,529	$ 289,931	$ 67,568	$ 158,179	**$ 17,505,125**	$ 17,082,673
Acquisition of tangible capital assets				199,322	19,313			**218,635**	422,452
Disposal of tangible capital assets				(635,672)	(8,946)			**(644,618)**	
Balance, end of year	$ 826,895	$ 539,335	$ 1,965,688	$ 13,221,179	$ 300,298	$ 67,568	$ 158,179	**$ 17,079,142**	$ 17,505,125
ACCUMULATED AMORTIZATION									
Balance, beginning of year	$	$ 436,537	$ 878,563	$ 4,928,204	$ 144,987	$ 36,068	$ 37,909	**$ 6,462,268**	$ 6,100,858
Annual amortization of tangible capital assets		23,074	39,314	275,175	13,587	4,200		**355,350**	355,683
Annual amortization of intangible capital assets							5,727	**5,727**	5,727
Accumulated amortization on disposals				(635,672)	(8,687)			**(644,359)**	
Balance, end of year		459,611	917,877	4,567,707	149,887	40,268	43,636	**6,178,986**	6,462,268
NET BOOK VALUE OF TANGIBLE AND INTANGIBLE CAPITAL ASSETS	$ 826,895	$ 79,724	$ 1,047,811	$ 8,653,472	$ 150,411	$ 27,300	$ 114,543	**$ 10,900,156**	$ 11,042,857
2024 Net Book Value of Tangible and Intangible Capital Assets	$ 826,895	$ 102,798	$ 1,087,125	$ 8,729,325	$ 144,944	$ 31,500	$ 120,270	**$ 11,042,857**	$

The accompanying notes are an integral part of these financial statements

Consolidated Schedule of Property and Other Taxes (Schedule 3)

Year Ended December 31, 2025

	Budget	**2025**	2024
MUNICIPAL PROPERTY TAXES (before requisitions)			
Real property taxes	$ 570,474	**$ 568,057**	$ 529,315
Linear property taxes	27,353	**29,765**	29,541
	597,827	**597,822**	558,856
REQUISITIONS			
Alberta School Foundation Fund	(204,719)	**(204,719)**	(177,580)
Senior's Foundation	(7,631)	**(7,631)**	(6,852)
Separate Education Board	(4,722)	**(4,722)**	(4,170)
Ambulance and Emergency	(21,132)	**(21,131)**	(20,986)
	(238,204)	**(238,203)**	(209,588)
NET MUNICIPAL PROPERTY TAXES	$ 359,623	**$ 359,619**	$ 349,268

Consolidated Government Transfers (Schedule 4)

Year Ended December 31, 2025

	Budget *Unaudited*	**2025**	2024
TRANSFERS FOR OPERATING			
Provincial government	$ 45,732	**$ 43,730**	$ 40,158
TRANSFERS FOR CAPITAL			
Provincial government	500,000	**198,418**	422,452
TOTAL GOVERNMENT TRANSFERS	$ 545,732	**$ 242,148**	$ 462,610

The accompanying notes are an integral part of these financial statements

	Budget	**2025**	2024
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	$ 310,773	**$ 307,441**	$ 294,846
Contracted and general services	445,512	**362,870**	217,787
Materials, goods and utilities	252,845	**233,525**	191,736
Transfers to local boards and agencies	12,858	**18,563**	16,140
Bank charges and short-term interest	3,000	**2,933**	3,131
Interest on long term debt	17,400	**17,384**	18,583
Amortization of tangible capital assets		**355,350**	355,683
Amortization of intangible capital assets		**5,727**	5,727
Other	3,675	**150**	3,833
Gain (loss) on disposal of tangible capital assets		**259**	
	$ 1,046,063	**$ 1,304,202**	$ 1,107,466

The accompanying notes are an integral part of these financial statements

	General Government	Protective Services	Transportation	Planning and Development	Public Health and Welfare	Recreation and Culture	Environmental Use and Protection	**Total**
REVENUES								
Net municipal taxes	$ 359,620	$	$	$	$	$	$	**$ 359,620**
Operating government transfers	31,970				11,760			**43,730**
User fees and sale of goods	97,836	49,737	66,238	54,373		68,805	186,989	**523,978**
Investment income	44,746							**44,746**
Penalties and cost of taxes	5,058						1,486	**6,544**
Licenses and permits	3,450	2,600		58,450				**64,500**
Other	94				2,568	1,000		**3,662**
	542,774	52,337	66,238	112,823	14,328	69,805	188,475	**1,046,780**
EXPENSES								
Salaries, wages and benefits	213,541		67,018			26,882		**307,441**
Contracted and general services	88,634	112,221	11,830	34,709	3,536	2,701	109,239	**362,870**
Materials, goods and utilities	37,893		52,559	4,832		54,959	83,284	**233,527**
Transfers to local boards and agencies					14,606	3,957		**18,563**
Bank charges and short term interest	2,933							**2,933**
Interest on long term debt							17,384	**17,384**
Amortization of tangible capital assets	10,772		66,132			44,068	234,378	**355,350**
Amortization of intangible capital assets			5,727					**5,727**
Other	150							**150**
Loss on disposal of tangible capital assets	259							**259**
	354,182	112,221	203,266	39,541	18,142	132,567	444,285	**1,304,204**
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE	188,592	(59,884)	(137,028)	73,282	(3,814)	(62,762)	(255,810)	**(257,424)**
CAPITAL REVENUE								
Government transfers for capital			62,674				135,744	**198,418**
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	$ 188,592	$ (59,884)	$ (74,354)	$ 73,282	$ (3,814)	$ (62,762)	$ (120,066)	**$ (59,006)**

The accompanying notes are an integral part of these financial statements

1. PURPOSE OF THE VILLAGE

The Village of Longview (the Village) is a municipality in the Province of Alberta and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Village (hereafter referred to as the "financial statements") are the representations of management and are prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board and as published by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village follow below:

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village council for the administration of their financial affairs and resources.

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.

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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 or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided, or the tangible capital assets are acquired.

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 revenues 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 these estimates.

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Valuation of financial assets and liabilities

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

Financial statement component	Measurement
• Cash	Cost and amortized cost
• Accounts receivables	Lower of cost or net recoverable value
• Accounts payable and accrued liabilities	Cost
• Deferred revenue	Cost
• Long term debt	Amortized cost

Deferred revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

Long term debt

Long term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long term debt is subsequently measured at amortized cost.

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 annual surplus, provides the consolidated change in net financial assets for the year.

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
Engineered structures	
Roadway system	5-40 years
Water system	45-75 years
Wastewater system	45-75 years
Buildings	25-50 years
Machinery and equipment	5-40 years
Vehicles	10-25 years

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.

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

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible capital assets

Intangible capital assets are recorded at cost and amortized on a straight-line basis over the estimated useful life as follows:

Solar panel project research	25 years
Solar panel project - environmental and wildlife studies	2 years

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 the town is either directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operation, maintenance, and monitoring.

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.

Revenue recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

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

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.

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.

3. CASH

		2025		2024
Cash	$	1,906,768	$	1,427,566

Cash includes $434,537 (2024 - $39,351) of government grants and donations that are restricted in their use and are to be utilized as funding for the operating or capital projects described in Note 5. Since the projects have not been completed for which the funding has been received, these funds are not available for general use by the Village.

4. ACCOUNTS RECEIVABLE

		2025		2024
Taxes and grants in place of taxes				
Current Property Taxes Receivable	$	50,601	$	40,359
Arrears of Property Taxes Receivable		20,615		2,988
	$	71,216	$	43,347
Trade and other receivables				
Local improvement levy receivable	$	499,445	$	547,397
Utilities receivable		27,610		26,869
Goods and services tax receivable		20,236		35,080
Trade receivable		51,092		300
Fines receivable		2,962		174
	$	601,345	$	609,820

In 2011, the Village underwent a lagoon improvement that was funded by the debenture disclosed in Note 7. The Village implemented a local improvement levy and an improvement levy receivable was recognized at that time. The Village collects $47,952 annually from land owners to be applied against this receivable.

Receivable from other governments				
Provincial Conditional Grants Receivable	$		$	27,291

5. DEFERRED REVENUE AND DEPOSITS

	Balance, beginning of year	Received	Recognized	**Balance, end of year**
Canada Community Building Fund	$	$ 274,449	$ 1,361	**$ 273,088**
Municipal Sustainability Initiative - Capital		126,459	126,459	
Local Government Fiscal Framework		197,189	70,597	**126,592**
Farm Credit Canada	25,000			**25,000**
Memorial Garden	4,563	1,993		**6,556**
Deposits held	7,000	1,000	6,000	**2,000**
Canada Community Building Fund	1,301			**1,301**
Municipal Sustainability Initiative - Operating		31,970	31,970	
Family and Community Support Services	1,487		1,487	
	$ 39,351	$ 633,060	$ 237,874	**$ 434,537**

Deferred revenue is comprised of the funds noted above, the use of which, together with any earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

Canada Community Building Fund, Municipal Sustainability Initiative and Local Government Fiscal Framework

These grants are restricted to eligible capital projects, as approved under the funding agreements.

Farm Credit Canada

The Village received a grant from Farm Credit Canada that is restricted to eligible renovation expenditures.

6. CONTAMINATED SITES LIABILITY

The Village did not identify any financial liabilities in 2025 (2024 – nil) as a result of contaminated sites.

7. LONG TERM DEBT

	2025	2024
Tax supported debenture	**$ 406,968**	$ 437,536
Less current portion of long term debt	**(31,800)**	(30,600)
	$ 375,168	$ 406,936

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 4.043% per annum and matures in 2036. Debenture debt is issued on the credit and security of the Village at large.

Interest on long term debt amounted to $17,384 (2024 - $18,583. The Village's total cash payments for interest in 2025 were also $17,384 (2024 - $18,583) as there was no accrued interest payable recorded.

(continues)

7. LONG TERM DEBT *(continued)*

Principal repayment terms are as follows:

	Principal	Interest	Total
2026	$ 31,800	$ 16,151	$ 47,951
2027	33,100	14,851	47,951
2028	34,500	13,451	47,951
2029	35,900	12,051	47,951
2030	37,300	10,651	47,951
Thereafter	234,368	29,361	263,729
	$ 406,968	$ 96,516	$ 503,484

8. DEBT LIMITS AND DEBT SERVICING LIMIT

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village are to be disclosed as follows:

	2025	2024
Debt limit		
Total debt limit	**$ 1,570,169**	$ 1,369,007
Total long term debt	**(406,968)**	(437,536)
Amount of debt limit unused	**$ 1,163,201**	$ 931,471
Debt servicing limit		
Debt servicing limit	**$ 261,695**	$ 228,168
Debt servicing	**(47,951)**	(47,951)
Amount of debt servicing limit unused	**$ 213,744**	$ 180,217

The debt limit is calculated at 1.5 times revenue of the Village excluding transfers from the governments of Alberta and Canada for the purposes of capital property (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs.

These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principal and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

9. EQUITY IN TANGIBLE AND INTANGIBLE CAPITAL ASSETS

	2025	2024
Tangible and intangible capital assets *(Schedule 2)*	**$ 17,079,142**	$ 17,505,125
Accumulated amortization *(Schedule 2)*	**(6,178,986)**	(6,462,268)
Long term debt *(Note 7)*	**(406,968)**	(437,536)
	$ 10,493,188	$ 10,605,321

10. ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets.

	2025	2024
Unrestricted surplus *(Schedule 1)*	**$ 1,192,912**	$ 1,163,420
Internally restricted surplus (reserves)		
General Operating Reserves	**17,038**	31,351
Public Works Operating Reserves	**89,435**	95,485
Water/Wastewater Reserve	**592,989**	552,989
Planning and Development Reserve	**82,475**	82,475
Hall Reserve	**67,741**	63,741
Total reserves *(Schedule 1)*	**849,678**	826,041
Equity in tangible and intangible capital assets *(Schedule 1)*	**10,493,188**	10,605,321
	$ 12,535,778	$ 12,594,782

11. SEGMENTED DISCLOSURE

The Village 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 2.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

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

12. TRUST FUNDS

	2025	2024
Recreation Board		
Balance, beginning of year	**$ 30,797**	$ 34,925
Net funds received from (spent by) the board		(4,128)
Balance, end of year	**$ 30,797**	$ 30,797

These funds are excluded from the Village's cash position and all transactions related to the trust are excluded from the operations of the Village as disclosed in the accompanying financial statements.

13. SALARY AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits & Allowances (2)	**2025** *Total*	2024 *Total*
Mayor and Councillors				
L. Penner	$ 1,800	$	**$ 1,800**	$ 3,920
R. Klassen	4,190		**4,190**	4,710
A. Lyons	1,620		**1,620**	4,020
B. McIntosh	1,530		**1,530**	
J. Wagenaar	1,370		**1,370**	
	10,510		**10,510**	12,650
Chief Administrative Officer				
CAO R. Tutschek	81,231		**81,231**	79,741
Designated Officer				
Assessment Services (contracted)	6,680		**6,680**	6,526
	$ 98,421	$	**$ 98,421**	$ 98,917

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.

14. CONTINGENT LIABILITY

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 entered into a construction contract under which certain obligations were required of the contractor. At December 31, 2025, there is a dispute over cost and obligations of each contractual party. The Village has not accrued any additional liability related to this project as management believes that the contractor has not fulfilled the requirements of the contract. The outcome of the dispute cannot be reasonable determined and the amount of liability on behalf of the Village, if any, cannot be estimated.

15. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and cash equivalents, investments, accounts receivable, 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. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Village manages risk exposure on these items similar to other receivables and payables.

The Village is subject to credit risk with respect to taxes and grants in place of taxes receivables 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 fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

16. BUDGET PRESENTATION

Council for the Village annually approves it's operating and capital budgets. The budget figures presented in the financial statements are for information purposes only and have not been audited, reviewed or otherwise verified.

The approved budget contains reserve transfers, tangible capital asset additions, and principal repayments on long term debt. These items are not included in the budget figures presented in the financial statements.

	2025 *Budget*
Reconciliation of budget amounts	
Excess (shortfall) of revenues over expenses per financial statements	**$ 679,790**
Capital budget items	
Tangible capital asset additions	**(650,000)**
Transfer to reserves from operations	**(174,740)**
Transfers from reserves for operations	**25,500**
Transfer from reserves for capital	**150,000**
Budgeted principal repayment on long term debt	**(30,550)**
Balanced budget	**$ -**

The budget was approved by council on May 7, 2025.

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.