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GREGORY  
HARRIMAN  
& ASSOCIATES LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

**Village of Longview**

**Financial Statements**

**For the Year Ended December 31, 2020**

**VILLAGE OF LONGVIEW**

**DECEMBER 31, 2020**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village 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 at December 31, 2020 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).

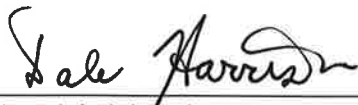
The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

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.

Village Council meets annually with management and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council is also responsible for the engagement or re-appointment of the external auditors. The Village Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Gregory, Harriman & Associates 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.



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Chief Administrative Officer

April 20, 2021



GREGORY  
HARRIMAN  
& ASSOCIATES LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

### To the Members of Council:

#### *Opinion*

We have audited the consolidated financial statements of Village of Longview (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2020, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Longview as at December 31, 2020, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is responsible for assessing the Municipality'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 cease operations, or has no realistic alternative but to do so.

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

#### *Auditors' Responsibility for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 Municipality'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 Municipality'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 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 auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Report on Other Legal and Regulatory Requirements*

- Debt Limit Regulation:  
In accordance with Alberta Regulation 255/2000, we confirm that the Municipality is in compliance with the Debt Limit Regulation. A detailed account of the Municipality's debt limit can be found in Note 8.
- Supplementary Accounting Principles and Standards Regulation:  
In accordance with Alberta Regulation 313/2000, we confirm that the Municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 11.

*Gregory, Harriman & Associates LLP*

Strathmore, Alberta  
April 20, 2021

Gregory, Harriman & Associates LLP  
Chartered Professional Accountants

**Village of Longview**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 1,082,342	\$ 2,029,494
Taxes and grants in place receivable <i>(Note 3)</i>	67,284	50,434
Trade and other accounts receivable <i>(Note 4)</i>	823,801	903,668
	1,973,427	2,983,596
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	102,566	87,145
Deferred revenue <i>(Note 5)</i>	55,811	1,332,829
Long term debt <i>(Notes 7, 8)</i>	548,272	573,295
	706,649	1,993,269
<b>NET FINANCIAL ASSETS</b>	<b>1,266,778</b>	<b>990,327</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	92	92
Tangible capital assets (Schedule 2)	11,199,337	10,198,948
Intangible capital assets	154,262	-
	11,353,691	10,199,040
<b>ACCUMULATED SURPLUS</b> (Schedule 1) <i>(Note 10)</i>	<b>\$ 12,620,469</b>	<b>\$ 11,189,367</b>

COMMITMENTS *(Note 12)*

CONTINGENCIES *(Note 13)*

SUBSEQUENT EVENTS *(Note 14)*

Approved by: Kathie Wight Mayor Sal Harris Chief Administrative Officer

**Village of Longview**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2020**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2020</b>	2019
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	\$ 325,549	\$ 325,243	\$ 337,509
Sale of goods and user charges	178,100	168,184	167,421
Penalties and costs on taxes	5,850	6,195	9,741
Licenses and permits	12,525	4,720	14,943
Fines distribution	30,000	22,627	72,972
Franchise and concession contracts	76,667	77,570	79,749
Investment income	13,040	-	30,522
Rentals	31,100	46,628	47,736
Government transfers (Schedule 4)	35,556	83,537	46,407
Other revenues	53,367	27,424	11,886
<b>TOTAL REVENUE</b>	<u>761,754</u>	<u>762,128</u>	<u>818,886</u>
<b>EXPENSES (Schedule 5)</b>			
Legislative	24,050	13,886	30,178
Administration	275,521	275,294	236,325
Protective services	31,232	23,720	88,749
Roads, streets, walks and lighting	18,000	68,787	71,885
Water supply and distribution	103,150	191,446	179,151
Wastewater treatment and disposal	59,028	172,343	169,766
Waste management	7,000	6,539	6,833
Planning and development	4,000	6,706	3,024
Public health and welfare services	90,529	84,320	88,148
Culture	17,618	20,411	21,734
Parks and recreation	42,046	61,878	67,816
Recreation boards	9,150	472	9,586
<b>TOTAL EXPENSES</b>	<u>681,324</u>	<u>925,802</u>	<u>973,195</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<u>80,430</u>	<u>(163,674)</u>	<u>(154,309)</u>
<b>OTHER</b>			
Government transfers for capital (Schedule 4)	1,429,160	1,565,092	625,614
Contributions from others for capital	-	29,684	-
	<u>1,429,160</u>	<u>1,594,776</u>	<u>625,614</u>
<b>EXCESS OF REVENUE (SHORTFALL) OVER EXPENSES</b>	<u>1,509,590</u>	<u>1,431,102</u>	<u>471,305</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 10)</b>	<u>11,189,367</u>	<u>11,189,367</u>	<u>10,718,062</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 12,698,957</u>	<u>\$ 12,620,469</u>	<u>\$ 11,189,367</u>

**Village of Longview**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the Year Ended December 31, 2020**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2020</b>	2019
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ 1,509,590	\$ 1,431,102	\$ 471,305
Acquisition of tangible capital assets (Schedule 2)	(1,381,950)	(1,396,570)	(782,397)
Amortization of tangible capital assets (Schedule 2)	-	307,978	288,664
Acquisition of intangible capital assets	-	(66,059)	-
	<u>(1,381,950)</u>	<u>(1,154,651)</u>	<u>(493,733)</u>
<b>INCREASE IN NET ASSETS</b>	127,640	276,451	(22,428)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	990,327	990,327	1,012,755
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 1,117,967</u>	<u>\$ 1,266,778</u>	<u>\$ 990,327</u>



**Village of Longview**  
**Consolidated Statement of Changes in Cash Flows**  
**For the Year Ended December 31, 2020**

	2020	2019
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>Operating</b>		
Excess (Shortfall) of revenue over expenses	\$ 1,431,102	\$ 471,305
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	307,978	288,664
	1,739,080	759,969
Non-cash charges to operations (net change):		
Decrease (Increase) in taxes and grants in place receivable	(16,850)	(12,365)
Decrease (Increase) in trade and other receivables	57,164	392,199
Decrease (Increase) in Goods and Services Tax receivable	22,703	12,422
Increase (Decrease) in accounts payable and accrued liabilities	15,421	2,032
Increase (Decrease) in deferred revenue	(1,277,018)	978,110
	540,500	2,132,367
<b>Capital</b>		
Acquisition of tangible capital assets	(1,396,570)	(782,397)
Acquisition of intangible capital assets	(66,059)	-
Cash applied to capital transactions	(1,462,629)	(782,397)
<b>Investing</b>		
Decrease (Increase) in restricted cash and temporary investments	1,277,018	(978,110)
Cash provided by (applied to) investing transactions	1,277,018	(978,110)
<b>Financing Activities</b>		
Long term debt repaid	(25,023)	(24,041)
Cash provided by (applied to) financing transactions	(25,023)	(24,041)
<b>Change in Cash and temporary investments, during the year</b>	<b>329,866</b>	<b>347,819</b>
<b>Cash and temporary investments, beginning of the year</b>	<b>696,665</b>	<b>348,846</b>
<b>Cash and temporary investments, end of the year</b>	<b>\$ 1,026,531</b>	<b>\$ 696,665</b>
<b>Cash and temporary investments is made up of:</b>		
Cash and temporary investments (Note 2)	\$ 1,082,342	\$ 2,029,494
Less: restricted portion of cash and temporary investments (Note 2)	(55,811)	(1,332,829)
	<b>\$ 1,026,531</b>	<b>\$ 696,665</b>

**Village of Longview**  
**Schedule of Changes in Accumulated Surplus**  
**For the Year Ended December 31, 2020**  
**(Schedule 1)**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2020	2019
<b>BALANCE, BEGINNING OF YEAR (Note 10)</b>	\$ 973,538	\$ 590,176	\$ 9,625,653	\$ 11,189,367	\$ 10,718,062
Excess (Shortfall) of revenue over expenses	1,431,102	-	-	1,431,102	471,305
Unrestricted funds designated for future use	(87,000)	87,000	-	-	-
Restricted funds used in current year	137,899	(180,011)	42,112	-	-
Current year funds used for tangible capital assets	(1,354,458)	-	1,354,458	-	-
Annual amortization expense	307,978	-	(307,978)	-	-
Capital long term debt repaid	(25,023)	-	25,023	-	-
Reclassification of tangible capital assets	88,203	-	(88,203)	-	-
Change in accumulated surplus	498,701	(93,011)	1,025,412	1,431,102	471,305
<b>BALANCE, END OF YEAR</b>	<b>\$ 1,472,239</b>	<b>\$ 497,165</b>	<b>\$ 10,651,065</b>	<b>\$ 12,620,469</b>	<b>\$ 11,189,367</b>

The accompanying notes form an integral part of these financial statements.  
 Gregory, Harriman & Associates LLP

**Village of Longview**  
**Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2020**  
**(Schedule 2)**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2020	2019
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 826,895	\$ 539,335	\$ 1,833,630	\$ 11,386,160	\$ 262,556	\$ 85,120	\$ 14,933,696	\$ 14,151,299
Acquisition of tangible capital assets	-	-	29,684	1,292,466	74,420	-	1,396,570	23,395
Construction in progress	-	-	-	-	-	-	-	759,002
Reclassification of tangible capital assets	-	-	-	-	(88,203)	-	(88,203)	-
BALANCE, END OF YEAR	826,895	539,335	1,863,314	12,678,626	248,773	85,120	16,242,063	14,933,696
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	310,703	687,903	3,608,706	87,443	39,993	4,734,748	4,446,084
Annual amortization	-	27,063	36,392	230,186	8,382	5,955	307,978	288,664
Accumulated amortization on disposals	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	-	337,766	724,295	3,838,892	95,825	45,948	5,042,726	4,734,748
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 826,895</b>	<b>\$ 201,569</b>	<b>\$ 1,139,019</b>	<b>\$ 8,839,734</b>	<b>\$ 152,948</b>	<b>\$ 39,172</b>	<b>\$ 11,199,337</b>	<b>\$ 10,198,948</b>
2019 Net Book Value of Tangible Capital Assets	\$ 826,895	\$ 228,632	\$ 1,145,727	\$ 7,777,454	\$ 175,113	\$ 45,127	\$ 10,198,948	

The accompanying notes form an integral part of these financial statements.  
 Gregory, Harriman & Associates LLP

**Village of Longview**  
**Schedule of Property and Other Taxes**  
**For the Year Ended December 31, 2020**  
**(Schedule 3)**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2020</b>	2019
<b>TAXATION</b>			
Real property taxes	\$ 440,125	\$ 440,125	\$ 462,389
Linear property taxes	28,600	<b>28,601</b>	18,713
	<u>468,725</u>	<u><b>468,726</b></u>	<u>481,102</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	130,725	<b>131,579</b>	130,725
Senior Foundation	6,523	<b>5,930</b>	6,523
Separate Education Board	3,592	<b>3,592</b>	3,665
Ambulance and Emergency	2,336	<b>2,382</b>	2,336
Designated Industrial	-	-	344
	<u>143,176</u>	<u><b>143,483</b></u>	<u>143,593</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 325,549</u>	<u>\$ <b>325,243</b></u>	<u>\$ 337,509</u>

**Village of Longview**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2020**  
**(Schedule 4)**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2020</b>	2019
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 27,556	\$ 39,450	\$ 38,407
Other Local Governments	8,000	44,087	8,000
	<u>35,556</u>	<u>83,537</u>	<u>46,407</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	1,429,160	1,565,092	625,614
	<u>1,429,160</u>	<u>1,565,092</u>	<u>625,614</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 1,464,716</u>	<u>\$ 1,648,629</u>	<u>\$ 672,021</u>

**Village of Longview**  
**Schedule of Consolidated Expenditures by Object**  
**For the Year Ended December 31, 2020**  
**(Schedule 5)**

	<i>Budget</i> <i>(Unaudited)</i>	<b>2020</b>	2019
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits <i>(Note 11)</i>	\$ 261,487	\$ 250,917	\$ 298,335
Contracted and general services <i>(Note 12)</i>	198,985	190,015	183,765
Materials, goods, supplies and utilities	166,263	130,740	152,710
Bank charges and short term interest	3,025	2,618	2,840
Transfers to individuals and organizations	25,186	7,316	21,572
Interest on capital long term debt <i>(Note 7)</i>	22,928	22,928	23,910
Amortization of tangible capital assets	-	307,978	288,664
Other expenses	3,450	13,290	1,399
	<u>\$ 681,324</u>	<u>\$ 925,802</u>	<u>\$ 973,195</u>

**Village of Longview**  
**Notes to Financial Statements**  
**December 31, 2020**

**1) Significant Accounting Policies**

The Village of Longview (the "Municipality") is a Municipality in the Province of Alberta. The consolidated financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of these accounting policies adopted by the Village are as follows:

**A. Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenue 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 the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial resources.

The schedule of tax levies also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

**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 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.

**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. The amounts recorded for valuation of tangible capital assets, useful lives and related amortization of tangible capital assets is an area where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

**D. Investments**

Investments are recorded at 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.

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**Village of Longview**  
**Notes to Financial Statements**  
**December 31, 2020**

**1) Significant Accounting Policies** *(continued)*

**E. Requisition Over-levy and Under-levy**

Over-levies 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 property tax revenue is reduced. In situations where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and reflected as property tax revenue.

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

**F. Tax Revenue**

Tax revenue is 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.

**G. Contaminated Sites Liability**

Contaminated sites are a result of contamination being introduced into air, soil 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 productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

**H. 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 that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be determined.

**I. Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated Change in Net Financial Assets for the year.

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**Village of Longview  
Notes to Financial Statements  
December 31, 2020**

**1) Significant Accounting Policies** *(continued)*

**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 asset, is amortized on a straight-line basis over the estimated useful life as follows:

	<b>YEARS</b>
Land improvements	15-25
Buildings	25-50
Engineered structures	
Roadway system	5-40
Water system	45-75
Wastewater system	45-75
Machinery, equipment and furnishings	5-40
Computer software	10
Vehicles	10-25

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.

**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. Intangible Capital Assets**

Intangible capital assets are recognized at cost and amortized on the basis of their useful life using the straight-line method. The rates are summarized as follows:

	<b>YEARS</b>
Solar Panel Project	25

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.

**Village of Longview  
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**2) Cash and Temporary Investments**

	2020	2019
Cash	\$ 1,082,311	\$ 2,029,463
Petty cash	31	31
	\$ 1,082,342	\$ 2,029,494

The Village received Government grants and donations that are restricted in their use and are to be utilized as funding for operating or capital projects. Since the projects have not been completed for which the funding has been received, \$55,811 (2019 - \$1,332,829) is not available for general use by the Village (*Note 5*).

**3) Taxes and Grants in Place Receivable**

	2020	2019
Current taxes and grants in place	\$ 42,099	\$ 33,129
Tax arrears and grants in place	25,185	17,305
	\$ 67,284	\$ 50,434

**4) Trade and Other Accounts Receivable**

	2020	2019
Local improvement levy receivable	\$ 741,945	\$ 790,959
Goods and Services Tax receivable	44,789	22,086
Utilities receivable	28,702	29,613
Trade receivable	8,365	8,895
Grants receivable	-	52,115
	\$ 823,801	\$ 903,668

**5) Deferred Revenue**

	2020	2019
Municipal Sustainability Initiative - Capital	\$ 43,071	\$ 944,738
Memorial Garden	10,778	9,244
Federal Gas Tax Fund	1,301	246,479
Longview Light-Up	661	789
Basic Municipal Transportation Grant	-	71,485
Solar Project Grant	-	60,094
	\$ 55,811	\$ 1,332,829

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**6) Contaminated Sites Liability**

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities in 2020 (2019 - \$ nil) as a result of this standard.

**7) Long Term Debt**

	2020	2019
Tax supported debenture - capital	\$ 548,272	\$ 573,295
Less: Current portion	(26,045)	(25,023)
	\$ 522,227	\$ 548,273

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2021	26,045	21,906	47,951
2022	27,108	20,843	47,951
2023	28,215	19,735	47,951
2024	29,369	18,583	47,951
2025	30,567	17,383	47,951
Thereafter	406,968	96,515	503,483
	\$ 548,272	\$ 194,965	\$ 743,238

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

Interest on long term debt amounted to \$22,928 (2019 - \$23,910).

The Village's total cash payments for interest in 2020 were \$22,928 (2019 - \$23,910).

**8) 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 Longview be disclosed as follows:

	2020	2019
Total debt limit (1.5 * total eligible revenue)	\$ 1,143,192	\$ 1,228,329
Total long term debt (Note 7)	548,272	573,295
Unused total debt limit capacity	\$ 594,920	\$ 655,034
Service on debt limit (0.25 * total eligible revenue)	\$ 190,532	\$ 204,722
Service on debt (next years principal and interest due)	47,951	47,951
Unused service on debt limit capacity	\$ 142,581	\$ 156,771

*continues ...*

**Village of Longview  
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**8) Debt Limits (continued)**

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

**9) Equity in Tangible Capital Assets**

	2020	2019
Tangible capital assets (Schedule 2)	\$ 16,242,063	\$ 14,933,696
Accumulated amortization (Schedule 2)	(5,042,726)	(4,734,748)
Long term debt - Capital (Note 7)	(548,272)	(573,295)
	\$ 10,651,065	\$ 9,625,653

**10) Accumulated Surplus**

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

	2020	2019
Unrestricted surplus (Schedule 1)	\$ 1,472,239	\$ 973,538
Restricted surplus (reserves)		
Recreations Board	15,479	11,952
General Reserve	11,350	39,017
Public Works	43,082	33,081
Water/Wastewater	373,184	343,184
Hall Reserve	44,667	38,667
Peace Officer Reserve	9,403	13,364
Offsite Levies	-	110,911
Equity in tangible capital assets (Note 9)	10,651,065	9,625,653
	\$ 12,620,469	\$ 11,189,367

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**11) Salary and Benefits Disclosure**

Disclosure of salaries and benefits for elected municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits & Allowances (2)	Total 2020	Total 2019
Councillor Wight, K.	\$ 4,815	\$ 212	\$ 5,027	\$ 8,159
Councillor Weir, C.	4,590	561	5,151	5,454
Councillor Kirk, L	1,935	44	1,979	2,129
Chief Administrative Officer	65,812	4,195	70,007	68,941
	<u>\$ 77,152</u>	<u>\$ 5,012</u>	<u>\$ 82,164</u>	<u>\$ 84,683</u>

- (1) Salary includes regular base pay and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

**12) Commitments**

The Village has an agreement with the Municipal District of Foothills No. 31 for the provision of water and wastewater services. The contract terms are a maximum of \$72,000 annually and are ongoing until cancelled by one of the parties.

**13) Contingencies**

The Village is a member of the Alberta Municipal Services Corporation. 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.

**14) Subsequent Events**

In March 2020, The World Health Organization declared a global pandemic due to the Novel Coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The full impact of the COVID-19 outbreak continues to evolve through the world including Canada. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the impact on the Village will not be known with certainty for months to come.

Although the Village cannot estimate the length or the gravity or the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Village's results of future operations, financial position, and liquidity in fiscal year 2021.

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**15) Financial Instruments**

The Village's financial instruments consist of cash and temporary investments, taxes and grants in place receivable, trade and other accounts receivable, accounts payable and accrued liabilities and long term debt.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Village is exposed to financial risk from interest rate differentials between market interest rates and the rates used on their financial instruments.

Credit Risk

The Village of Longview is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Village of Longview 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.

**16) Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**17) Approval of Financial Statements**

Council and Management have approved these financial statements.