
VILLAGE OF LONGVIEW

Consolidated Financial Statements

Year Ended December 31, 2023

VILLAGE OF LONGVIEW
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of 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, 2023, 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.

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, 2023, and the consolidated results of its operations, its consolidated changes in net 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 Matter

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 25, 2023.

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 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.

Acuity L.L.P.

Nanton, Alberta
June 24, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF LONGVIEW
Consolidated Statement of Financial Position
December 31, 2023

ASSETS

Cash (Note 3)	\$ 1,348,085	\$ 926,226
Taxes and grants in place of taxes receivable (Note 4)	72,239	49,274
Trade and other receivables (Note 4)	642,848	734,170
	2,063,172	1,709,670

LIABILITIES

Accounts payable and accrued liabilities	80,680	92,004
Deferred revenue (Note 5)	137,131	126,022
Long term debt (Note 7)	466,903	495,119
	684,714	713,145

NET FINANCIAL ASSETS

1,378,458 **996,525**

NON-FINANCIAL ASSETS

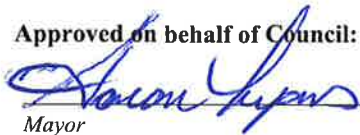
Prepaid expenses	6,852	6,389
Tangible capital assets (Schedule 2)	10,855,818	11,181,034
Intangible capital assets (Note 9)	125,997	132,704
	10,988,667	11,320,127

ACCUMULATED SURPLUS (Note 11) (Schedule 1)

\$ 12,367,125 **\$ 12,316,652**

CONTINGENT LIABILITY (Note 15)

Approved on behalf of Council:


 Mayor


 Chief Administrative Officer

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

VILLAGE OF LONGVIEW
Consolidated Statement of Operations
Year Ended December 31, 2023

	Budget <i>Unaudited</i>	2023	2022
REVENUES			
Net municipal property taxes <i>(Schedule 3)</i>	\$ 349,867	\$ 350,024	\$ 332,782
User fees and sale of goods	558,355	541,653	433,555
Government transfers for operating <i>(Schedule 4)</i>	43,020	43,110	25,320
Investment income	40,000	54,718	20,417
Penalties and cost of taxes	10,625	7,370	15,576
Licenses and permits	11,450	7,095	13,905
Other	3,708	4,917	4,891
	1,017,025	1,008,887	846,446
EXPENSES			
General government			
Council and other legislative	27,880	20,687	19,737
General administration	294,215	284,124	251,061
Protective services			
Police	55,000	57,226	46,003
Fire	12,600	9,472	10,350
Transportation			
Roads, streets, walks and lighting	114,100	167,826	188,085
Planning and development			
Land use planning, zoning and development	61,275	9,889	28,389
Public health and welfare			
Family and community support	13,728	15,014	21,450
Recreation and culture			
Parks and recreation	43,110	94,135	63,097
Libraries, museums, and halls	29,919	25,019	25,848
Environmental use and protection			
Water supply and distribution	215,802	274,576	233,189
Wastewater treatment and disposal	60,300	198,445	179,695
Waste management	8,200	7,503	7,251
	936,129	1,163,916	1,074,155
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE	80,896	(155,029)	(227,709)
CAPITAL REVENUE			
Government transfers for capital <i>(Schedule 4)</i>	35,000	205,502	25,000
Gain (loss) on disposal of tangible capital assets	-	-	11,782
	35,000	205,502	36,782
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 115,896	\$ 50,473	\$ (190,927)

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

VILLAGE OF LONGVIEW
Consolidated Statement of Changes in Accumulated Surplus
Year Ended December 31, 2023

	Budget <i>Unaudited</i>	2023	2022
ACCUMULATED OPERATING SURPLUS - BEGINNING OF YEAR	\$ 12,316,651	\$ 12,316,652	\$ 12,507,579
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	115,896	50,473	(190,927)
ACCUMULATED OPERATING SURPLUS - END OF YEAR	\$ 12,432,547	\$ 12,367,125	\$ 12,316,652

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, 2023

	Budget <i>Unaudited</i>	2023	2022
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 115,896	\$ 50,473	\$ (190,927)
Acquisition of tangible capital assets	(168,000)	(22,790)	(374,668)
Proceeds on disposal of tangible capital assets	-	-	45,000
Amortization of tangible capital assets	-	348,006	353,354
Amortization of intangible capital assets	-	6,706	13,227
Loss (gain) on disposal of assets	-	-	(11,782)
Decrease (increase) in prepaid expenses	-	(462)	(64)
	(168,000)	331,460	25,067
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(52,104)	381,933	(165,860)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	996,525	996,525	1,162,385
NET FINANCIAL ASSETS - END OF YEAR	\$ 944,421	\$ 1,378,458	\$ 996,525

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

VILLAGE OF LONGVIEW
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 50,473	\$ (190,927)
Items not affecting cash:		
Amortization of tangible capital assets	348,006	353,354
Amortization of intangible capital assets	6,706	13,227
Gain on disposal of property, plant and equipment	-	(11,782)
	405,185	163,872
Changes in non-cash working capital:		
Taxes and grants in place of taxes receivable	(22,965)	24,702
Trade and other receivables	91,322	135,782
Accounts payable and accrued liabilities	(11,323)	24,382
Deferred revenue	11,109	4,956
Prepaid expenses	(463)	(63)
	67,680	189,759
Cash flow from operating activities	472,865	353,631
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(22,790)	(374,668)
Proceeds of disposition on tangible capital assets	-	45,000
Decrease (Increase) in restricted cash	(11,109)	(4,956)
Cash flow used by investing activities	(33,899)	(334,624)
FINANCING ACTIVITY		
Repayment of long term debt	(28,216)	(27,108)
INCREASE (DECREASE) IN CASH FLOW	410,750	(8,101)
Cash - beginning of year	800,204	808,305
CASH - END OF YEAR (Note 3)	\$ 1,210,954	\$ 800,204
CASH CONSISTS OF:		
Cash	\$ 1,348,085	\$ 926,226
Less restricted portion of cash	(137,131)	(126,022)
	\$ 1,210,954	\$ 800,204

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

VILLAGE OF LONGVIEW
Consolidated Schedule of Changes in Accumulated Surplus (Schedule 1)
Year Ended December 31, 2023

	Unrestricted Surplus	Restricted Reserves	Equity in Tangible Capital Assets	Total Accumulated Surplus
BALANCE, BEGINNING OF YEAR	\$ 1,018,050	\$ 612,687	\$ 10,685,915	\$ 12,316,652
Excess (shortfall) of revenue over expenses	50,473	-	-	50,473
Unrestricted funds designated for future use	(82,074)	82,074	-	-
Restricted funds used for tangible capital assets	-	(10,195)	10,195	-
Current year funds used for tangible capital assets	(12,595)	-	12,595	-
	-	-	-	-
Annual amortization expense	348,006	-	(348,006)	-
Long term debt related to tangible capital assets repaid	(28,216)	-	28,216	-
Change in accumulated operating surplus	275,594	71,879	(297,000)	50,473
BALANCE, END OF YEAR	\$ 1,293,644	\$ 684,566	\$ 10,388,915	\$ 12,367,125

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

VILLAGE OF LONGVIEW
Consolidated Schedule of Tangible Capital Assets (Schedule 2)
Year Ended December 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
COST								
Balance, beginning of year	\$ 826,895	\$ 539,335	\$ 1,953,093	\$ 13,235,077	\$ 279,736	\$ 67,568	\$ 16,901,704	\$ 16,586,588
Acquisition of tangible capital assets	-	-	12,595	-	10,195	-	22,790	374,668
Disposal of tangible capital assets	-	-	-	-	-	-	-	(59,552)
Balance, end of year	\$ 826,895	\$ 539,335	\$ 1,965,688	\$ 13,235,077	\$ 289,931	\$ 67,568	\$ 16,924,494	\$ 16,901,704
ACCUMULATED AMORTIZATION								
Balance, beginning of year	\$ -	\$ 390,389	\$ 800,061	\$ 4,383,323	\$ 119,229	\$ 27,668	\$ 5,720,670	\$ 5,393,651
Annual amortization	-	23,074	39,188	268,920	12,624	4,200	348,006	353,354
Accumulated amortization on disposals	-	-	-	-	-	-	-	(26,335)
Balance, end of year	-	413,463	839,249	4,652,243	131,853	31,868	6,068,676	5,720,670
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 826,895	\$ 125,872	\$ 1,126,439	\$ 8,582,834	\$ 158,078	\$ 35,700	\$ 10,855,818	\$ 11,181,034
2022 Net Book Value of Tangible Capital Assets	\$ 826,895	\$ 148,946	\$ 1,153,032	\$ 8,851,754	\$ 160,507	\$ 39,900	\$ 11,181,034	\$ -

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

VILLAGE OF LONGVIEW
Consolidated Schedule of Property and Other Taxes (Schedule 3)
Year Ended December 31, 2023

	Budget	2023	2022
MUNICIPAL PROPERTY TAXES (before requisitions)			
Real property taxes	\$ 504,720	\$ 500,121	\$ 481,534
Linear property taxes	23,438	28,194	16,598
	528,158	528,315	498,132
REQUISITIONS			
Alberta School Foundation Fund	(153,998)	(153,998)	(143,615)
Senior's Foundation	(6,389)	(6,389)	(6,326)
Separate Education Board	(3,713)	(3,713)	(3,503)
Ambulance and Emergency	(14,191)	(14,191)	(11,906)
	(178,291)	(178,291)	(165,350)
NET MUNICIPAL PROPERTY TAXES	\$ 349,867	\$ 350,024	\$ 332,782

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

VILLAGE OF LONGVIEW
Consolidated Government Transfers (Schedule 4)
Year Ended December 31, 2023

	Budget	2023	2022
TRANSFERS FOR OPERATING			
Provincial government	\$ 43,020	\$ 43,110	\$ 25,320
TRANSFERS FOR CAPITAL			
Provincial government	35,000	205,502	25,000
TOTAL GOVERNMENT TRANSFERS	\$ 78,020	\$ 248,612	\$ 50,320

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

VILLAGE OF LONGVIEW
Consolidated Schedule Of Expenses By Object (Schedule 5)
Year Ended December 31, 2023

	Budget	2023	2022
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 292,072	\$ 281,121	\$ 242,799
Contracted and general services	308,795	289,811	242,038
Materials, goods and utilities	291,885	193,950	183,211
Transfers to local boards and agencies	13,944	17,079	13,697
Bank charges and short-term interest	3,000	4,375	2,387
Interest on long term debt	19,800	19,735	20,842
Amortization of tangible capital assets	-	348,006	353,354
Amortization of intangible capital assets	-	6,706	13,227
Other	6,633	3,133	2,600
	\$ 936,129	\$ 1,163,916	\$ 1,074,155

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

VILLAGE OF LONGVIEW
Consolidated Schedule Of Segmented Disclosure (Schedule 6)
Year Ended December 31, 2023

	General Government	Protective Services	Transportation	Planning and Development	Public Health and Welfare	Recreation and Culture	Environmental Use and Protection	2023
REVENUES								
Net municipal taxes	\$ 350,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,024
Operating government transfers	31,970	-	-	-	11,140	-	-	43,110
User fees and sale of goods	105,165	-	-	17,341	-	-	-	541,653
Investment income	54,718	21,526	61,478	-	-	70,101	266,042	54,718
Penalties and cost of taxes	5,271	-	-	-	-	-	-	7,370
Licenses and permits	3,235	3,860	-	-	-	-	2,099	7,095
Other	2,460	-	-	-	2,457	-	-	4,917
	552,843	25,386	61,478	17,341	13,597	70,101	268,141	1,008,887
EXPENSES								
Salaries, wages and benefits	196,030	-	63,178	-	-	21,913	-	281,121
Contracted and general services	65,079	66,698	860	7,532	3,807	2,700	143,135	289,811
Materials, goods and utilities	28,677	-	36,902	2,357	-	42,270	83,744	193,950
Transfers to local boards and agencies	-	-	-	-	8,750	8,329	-	17,079
Bank charges and short term interest	4,375	-	-	-	-	-	-	4,375
Interest on long term debt	-	-	-	-	-	-	19,735	19,735
Amortization of tangible capital assets	9,974	-	60,180	-	-	43,942	233,910	348,006
Amortization of intangible capital assets	-	-	6,706	-	-	-	-	6,706
Other	676	-	-	-	2,457	-	-	3,133
	304,811	66,698	167,826	9,889	15,014	119,154	480,524	1,163,916
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE	248,032	(41,312)	(106,348)	7,452	(1,417)	(49,053)	(212,383)	(155,029)
CAPITAL REVENUE								
Government transfers for capital	-	-	-	-	-	205,502	-	205,502
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 248,032	\$ (41,312)	\$ (106,348)	\$ 7,452	\$ (1,417)	\$ 156,449	\$ (212,383)	\$ 50,473

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

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

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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VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

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	15-25 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.

(continues)

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

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.

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

3. CASH

	2023	2022
Cash	\$ 1,348,085	\$ 926,226

Cash includes \$137,131 (2022 - 126,022) 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

	2023	2022
Taxes and grants in place of taxes		
Current taxes and grants in place of taxes receivable	\$ 60,425	\$ 32,060
Arrears	11,814	17,214
	\$ 72,239	\$ 49,274
Trade and other receivables		
Local improvement levy receivable	\$ 595,349	\$ 643,300
Utilities receivable	27,578	27,494
Goods and services tax receivable	7,337	19,315
Trade receivable	6,837	22,902
Fines receivable	5,747	21,159
	\$ 642,848	\$ 734,170

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.

5. DEFERRED REVENUE

	Balance, beginning of year	Received	Recognized	Balance, end of year
Municipal Sustainability				
Initiative - Capital	\$ 109,643	\$ 5,418	\$ -	\$ 115,061
Longview Light-up	4,678	7,455	5,371	6,762
Memorial Garden	7,450	6,000	6,930	6,520
Deposits held	-	6,000	-	6,000
Family and Community				
Support Services	2,950	9,678	11,141	1,487
Canada Community Building Fund	1,301	-	-	1,301
	\$ 126,022	\$ 34,551	\$ 23,442	\$ 137,131

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.

Municipal Sustainability Initiative

Funding was received in prior years from the Municipal Sustainability Initiative and is restricted to eligible capital projects, as approved under the funding agreement, and scheduled for completion in 2024.

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

6. CONTAMINATED SITES LIABILITY

The Village did not identify any financial liabilities in 2023 (2022 – nil) as a result of contaminated sites.

7. LONG TERM DEBT

	2023	2022
Tax supported debenture	\$ 466,903	\$ 495,119
Less current portion of long term debt	(29,370)	(28,216)
	\$ 437,533	\$ 466,903

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 \$19,735 (2022 - \$20,482). The Village's total cash payments for interest in 2023 were also \$19,735 (2022 - \$20,482) as there was no accrued interest payable recorded.

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	\$ 29,370	\$ 18,581	\$ 47,951
2025	30,567	17,384	47,951
2026	31,815	16,136	47,951
2027	33,115	14,836	47,951
2028	34,467	13,484	47,951
Thereafter	<u>307,569</u>	<u>52,061</u>	<u>359,630</u>
	\$ 466,903	\$ 132,482	\$ 599,385

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:

	2023	2022
<u>Debt limit</u>		
Total debt limit	\$ 1,513,331	\$ 1,269,669
Total long term debt	(466,903)	(495,119)
Amount of debt limit unused	\$ 1,046,428	\$ 774,550
<u>Debt servicing limit</u>		
Debt servicing limit	\$ 252,222	\$ 211,612
Debt servicing	(47,951)	(47,951)
Amount of debt servicing limit unused	\$ 204,271	\$ 163,661

(continues)

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

8. DEBT LIMITS AND DEBT SERVICING LIMIT *(continued)*

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. INTANGIBLE CAPITAL ASSETS

	2023	2022
Intangible capital asset - Solar panel project	\$ 158,179	\$ 158,179
Accumulated amortization - intangible capital assets	(32,182)	(25,475)
	\$ 125,997	\$ 132,704

Intangible capital assets are comprised of research and development costs related to the Village's solar panel project. During the year, amortization of \$6,706 (2022 - \$13,227) was recorded.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets <i>(Schedule 2)</i>	\$ 16,924,494	\$ 16,901,704
Accumulated amortization <i>(Schedule 2)</i>	(6,068,676)	(5,720,670)
Long term debt <i>(Note 7)</i>	(466,903)	(495,119)
	\$ 10,388,915	\$ 10,685,915

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

11. ACCUMULATED OPERATING SURPLUS

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

	2023	2022
Unrestricted surplus <i>(Schedule 1)</i>	\$ 1,293,644	\$ 1,018,050
Internally restricted surplus (reserves)		
General Operating Reserves	26,351	21,351
Public Works Operating Reserves	85,485	75,485
Water/Wastewater Reserve	512,989	473,184
Hall Reserve	59,741	42,667
Total reserves <i>(Schedule 1)</i>	684,566	612,687
Equity in tangible capital assets <i>(Schedule 1) (Note 10)</i>	10,388,915	10,685,915
	\$ 12,367,125	\$ 12,316,652

12. 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.

13. TRUST FUNDS

The Village administers the following trust:

	2023	2022
<u>Recreation Board</u>		
Balance, beginning of year	\$ 33,868	\$ 22,886
Net funds received from (spent by) the board	1,057	10,982
Balance, end of year	\$ 34,925	\$ 33,868

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.

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

14. 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)	2023 <i>Total</i>	2022 <i>Total</i>
Councillors				
Mayor A. Lyons	\$ 3,585	\$ -	\$ 3,585	\$ 3,735
Deputy Mayor L. Penner	3,645	-	3,645	3,991
Councillor R. Klassen	4,305	-	4,305	3,825
Chief Administrative Officer				
CAO R. Tutschek	76,776	-	76,776	13,149
CAO Harrison	-	-	-	62,433
	\$ 88,311	\$ -	\$ 88,311	\$ 87,133

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.

15. 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.

16. 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.

VILLAGE OF LONGVIEW
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

17. BUDGET PRESENTATION

Council for the Village annually approves its 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.

2023

Reconciliation of budget amounts

Excess (shortfall) of revenues over expenses per financial statements	\$	115,896
Capital budget items		
Tangible capital asset additions		(168,000)
Transfer to reserves from operations		(68,000)
Transfers from reserves for operations		15,604
Transfer from reserves for capital		133,000
Budgeted principal repayment on long term debt		(28,500)

Balanced budget	\$	-
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The budget was approved by council on May 18, 2023.

18. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of Chartered Professional Accountants. Some of the comparative figures have been reclassified to conform to the current year's presentation.

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.