

VILLAGE OF YOUNGSTOWN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Brian King Professional Corporation

Box 560, Hardisty, Alberta T0B 1V0

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Youngstown:

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of the Village of Youngstown (the Entity), which comprise the consolidated statement of financial position as at December 31, 2023, and the results of its operations, changes in its net financial assets (debt) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Youngstown as at December 31, 2023, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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- 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

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

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta Regulation 255/2000, I confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in Note 6.
- Supplementary Accounting Principles and Standards Regulation:
In accordance with Alberta Regulation 313/2000, I 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 10.

M.D. of Wainwright

March 4, 2024



Brian King Professional Corporation

Chartered Professional Accountant

VILLAGE OF YOUNGSTOWN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and term deposits (Note 2)	908,906	888,797
Taxes and grants in place of taxes (Note 3)	24,267	18,334
Trade and other receivables	15,828	17,188
Due from other governments	78,210	249,567
	<u>1,027,211</u>	<u>1,173,886</u>
LIABILITIES		
Accounts payable and accrued liabilities	49,113	50,286
Deposits	1,740	1,740
Deferred revenue (Note 4)	216,982	490,601
	<u>267,835</u>	<u>542,627</u>
NET FINANCIAL ASSETS	<u>759,376</u>	<u>631,259</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	3,289,031	3,046,840
Prepaid expenses	7,286	6,273
	<u>3,296,317</u>	<u>3,053,113</u>
ACCUMULATED SURPLUS (NOTE 7)	<u>4,055,693</u>	<u>3,684,372</u>

Commitments and contingencies - See Note 10

VILLAGE OF YOUNGSTOWN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (unaudited)	2023	2022
REVENUE			
Net municipal property taxes (Schedule 3)	140,549	140,244	134,258
User fees and sales of goods	124,150	124,091	122,721
Penalties and costs on taxes	5,425	5,138	5,610
Licenses and permits	100	-	-
Fines	100	-	150
Franchise and concession contracts	3,000	3,094	3,166
Investment income	40,000	51,906	24,918
Rentals	6,188	6,485	6,188
Government transfers for operating	165,540	220,332	133,029
Other	2,225	646	3,625
	<u>487,277</u>	<u>551,936</u>	<u>433,665</u>
EXPENSES			
Legislative	21,200	16,451	20,353
Administration	101,099	94,594	96,417
Protective services	19,431	11,577	20,936
Transportation	118,095	60,948	58,966
Water supply and distribution	97,441	96,020	100,193
Wastewater treatment and disposal	25,730	26,661	20,207
Waste management	38,359	37,924	36,559
Public health and welfare	6,265	6,476	6,265
Recreation	62,680	51,059	60,527
Culture	3,546	6,546	3,469
Amortization	145,367	153,918	145,367
	<u>639,213</u>	<u>562,174</u>	<u>569,259</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(151,936)	(10,238)	(135,594)
OTHER			
Government transfers for capital (Schedule 4)	308,760	381,559	253,034
EXCESS OF REVENUE OVER EXPENSES	156,824	371,321	117,440
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,684,372</u>	<u>3,684,372</u>	<u>3,566,932</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>3,841,196</u></u>	<u><u>4,055,693</u></u>	<u><u>3,684,372</u></u>

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CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (unaudited)	2023	2022
EXCESS OF REVENUE OVER EXPENSES	<u>156,824</u>	<u>371,321</u>	<u>117,440</u>
Acquisition of tangible capital assets	(350,000)	(396,109)	(266,081)
Amortization of tangible capital assets	<u>145,367</u>	<u>153,918</u>	<u>145,367</u>
	<u>(204,633)</u>	<u>(242,191)</u>	<u>(120,714)</u>
Net (increase) decrease of prepaid assets	<u>-</u>	<u>(1,013)</u>	<u>728</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>(47,809)</u>	<u>128,117</u>	<u>(2,546)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>631,259</u>	<u>631,259</u>	<u>633,805</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>583,450</u></u>	<u><u>759,376</u></u>	<u><u>631,259</u></u>

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	371,321	117,440
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	153,918	145,367
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(5,933)	495
Decrease (increase) in due from other governments	171,357	(57,621)
Decrease (increase) in trade and other receivables	1,360	34,360
Decrease (increase) in prepaid expenses	(1,013)	728
Increase (decrease) in accounts payable and accrued liabilities	(1,173)	11,485
Increase (decrease) in deferred revenue	(273,619)	(146,347)
	<u>416,218</u>	<u>105,907</u>
CAPITAL		
Acquisition of tangible capital assets	<u>(396,109)</u>	<u>(266,081)</u>
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	<u>130,739</u>	<u>204,287</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	150,848	44,113
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>597,276</u>	<u>553,163</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>748,124</u></u>	<u><u>597,276</u></u>
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash and temporary investments (Note 2)	908,906	888,797
Less: restricted portion of cash and temporary investments (Note 2)	<u>(160,782)</u>	<u>(291,521)</u>
	<u><u>748,124</u></u>	<u><u>597,276</u></u>

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SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	547,759	89,773	3,046,840	3,684,372	3,566,932
Excess (deficiency) of revenues over expenses	371,321	-	-	371,321	117,440
Restricted funds used for operations	3,608	(3,608)	-	-	-
Current year funds used for tangible capital assets	(396,109)	-	396,109	-	-
Annual amortization expense	153,918	-	(153,918)	-	-
Change in accumulated surplus	132,738	(3,608)	242,191	371,321	117,440
BALANCE, END OF YEAR	<u>680,497</u>	<u>86,165</u>	<u>3,289,031</u>	<u>4,055,693</u>	<u>3,684,372</u>

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CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 2)

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2023	2022
COST:								
Balance - beginning of year	105,038	3,443	3,110,413	3,536,486	327,799	51,010	7,134,189	6,868,108
Acquisition of tangible capital assets	-	-	-	350,709	45,400	-	396,109	266,081
Balance - end of year	105,038	3,443	3,110,413	3,887,195	373,199	51,010	7,530,298	7,134,189
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	3,443	2,018,829	1,833,263	208,906	22,908	4,087,349	3,941,982
Annual amortization	-	-	59,834	63,959	25,441	4,684	153,918	145,367
Balance - end of year	-	3,443	2,078,663	1,897,222	234,347	27,592	4,241,267	4,087,349
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	105,038	-	1,031,750	1,989,973	138,852	23,418	3,289,031	3,046,840
OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	105,038	-	1,091,584	1,703,223	118,893	28,102	3,046,840	

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CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 3)

	Budget (Unaudited)	2023	2022
TAXATION			
Real property taxes	165,923	165,618	161,356
Linear property taxes	8,346	8,346	6,708
Government grants in place of property taxes	511	511	499
	<u>174,780</u>	<u>174,475</u>	<u>168,563</u>
REQUISITIONS			
Alberta School Foundation	29,165	29,165	29,376
Acadia Foundation	5,066	5,066	4,929
	<u>34,231</u>	<u>34,231</u>	<u>34,305</u>
NET MUNICIPAL TAXES	<u>140,549</u>	<u>140,244</u>	<u>134,258</u>

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CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 4)

	Budget (Unaudited)	2023	2022
TRANSFERS FOR OPERATING			
Federal Government	2,100	-	2,100
Provincial Government	64,440	64,609	34,726
Local Governments	99,000	155,723	96,203
	<u>165,540</u>	<u>220,332</u>	<u>133,029</u>
TRANSFERS FOR CAPITAL			
Federal Government	-	50,000	50,000
Provincial Government	308,760	331,559	203,034
	<u>308,760</u>	<u>381,559</u>	<u>253,034</u>
TOTAL GOVERNMENT TRANSFERS	<u>474,300</u>	<u>601,891</u>	<u>386,063</u>

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CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 5)

	Budget (Unaudited)	2023	2022
Expenditures			
Salaries, wages and benefits	136,623	128,652	130,969
Contracted and general services	83,908	74,319	73,501
Materials, goods and utilities	209,744	141,977	136,058
Transfers to other governments	5,080	5,080	3,882
Transfers to local boards and agencies	58,491	58,228	74,734
Transfers to individuals and agencies	-	-	4,000
Other expenditures	-	-	748
Amortization of tangible capital assets	145,367	153,918	145,367
	<u>639,213</u>	<u>562,174</u>	<u>569,259</u>

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SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2023 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal property taxes (Schedule 2)	140,244	-	-	-	-	-	-	140,244
User fees and sales of goods	222	-	-	123,869	-	-	-	124,091
Penalties and costs on taxes	3,056	-	-	2,082	-	-	-	5,138
Franchise and concession contracts	3,094	-	-	-	-	-	-	3,094
Investment income	51,906	-	-	-	-	-	-	51,906
Rentals	6,485	-	-	-	-	-	-	6,485
Government transfers	179,428	1,125	-	-	5,181	-	34,598	220,332
Other	331	-	-	315	-	-	-	646
	<u>384,766</u>	<u>1,125</u>	<u>-</u>	<u>126,266</u>	<u>5,181</u>	<u>-</u>	<u>34,598</u>	<u>551,936</u>
EXPENSES								
Salaries, wages and benefits	63,670	2,250	18,340	44,392	-	-	-	128,652
Contracted and general services	39,659	451	7,494	26,442	-	-	273	74,319
Materials, goods and utilities	7,716	3,796	35,114	89,771	-	-	5,580	141,977
Transfers to other governments	-	5,080	-	-	-	-	-	5,080
Transfers to local boards and agencies	-	-	-	-	6,476	-	51,752	58,228
	<u>111,045</u>	<u>11,577</u>	<u>60,948</u>	<u>160,605</u>	<u>6,476</u>	<u>-</u>	<u>57,605</u>	<u>408,256</u>
NET REVENUE, BEFORE AMORTIZATION	<u>273,721</u>	<u>(10,452)</u>	<u>(60,948)</u>	<u>(34,339)</u>	<u>(1,295)</u>	<u>-</u>	<u>(23,007)</u>	<u>143,680</u>
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	5,822	-	47,798	44,030	-	-	56,268	153,918
NET REVENUE	<u><u>267,899</u></u>	<u><u>(10,452)</u></u>	<u><u>(108,746)</u></u>	<u><u>(78,369)</u></u>	<u><u>(1,295)</u></u>	<u><u>-</u></u>	<u><u>(79,275)</u></u>	<u><u>(10,238)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Youngstown are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

Significant aspects of the accounting policies adopted by the village are as follows:

a) Reporting Entity

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

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

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

e) Requisition Over-levy and Under-levy

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

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

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

f) Inventories for Resale

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

g) Tax revenue

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

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

h) Landfill Closure and Post-Closure Liability

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Contaminated Sites Liability

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

j) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

k) Non-Financial Assets

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

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Buildings	25-50
Engineered structures - other	15-40
Engineered structures - water system	35-75
Engineered structures - wastewater system	35-75
Land improvements	15-20
Machinery and equipment	5-20
Vehicles	3-20

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

ii. Contributions of Tangible Capital Assets

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Leases

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

iv. Inventories

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

v. Cultural and Historical Tangible Capital Assets

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

2. CASH AND TERM DEPOSITS

	<u>2023</u>	<u>2022</u>
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 4)		
Municipal Sustainability Initiative - capital	159,042	289,781
Deposits held	1,740	1,740
Total restricted cash and term deposits	<u>160,782</u>	<u>291,521</u>

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2023</u>	<u>2022</u>
Current taxes and grants in place of taxes	10,604	7,354
Arrears taxes	5,708	10,980
Property held by the village as a result of tax forfeiture	7,955	-
	<u>24,267</u>	<u>18,334</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

4. DEFERRED INCOME

Deferred income consists of the following:

	<u>2023</u>	<u>2022</u>
Municipal Sustainability Initiative - capital	<u>216,982</u>	<u>490,601</u>
	<u>216,982</u>	<u>490,601</u>

5. 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 Youngstown be disclosed as follows:

Total debt limit	<u>2023</u> <u>827,904</u>	<u>2022</u> <u>650,498</u>
Total debt	<u>-</u>	<u>-</u>
Surplus debt limit	<u>827,904</u>	<u>650,498</u>
Debt servicing limit	<u>137,984</u>	<u>108,416</u>
Debt servicing	<u>-</u>	<u>-</u>
Surplus debt servicing	<u>137,984</u>	<u>108,416</u>

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

VILLAGE OF YOUNGSTOWN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

6. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible capital assets (Schedule 2)	7,530,298	7,134,189
Accumulated amortization (Schedule 2)	<u>(4,241,267)</u>	<u>(4,087,349)</u>
	<u><u>3,289,031</u></u>	<u><u>3,046,840</u></u>

7. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	<u>680,497</u>	<u>547,759</u>
Restricted surplus		
Recreation	<u>86,165</u>	<u>89,773</u>
Equity in tangible capital assets	<u>3,289,031</u>	<u>3,046,840</u>
	<u><u>4,055,693</u></u>	<u><u>3,684,372</u></u>

8. SEGMENTED DISCLOSURE

The Village of Youngstown provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (schedule 6)

VILLAGE OF YOUNGSTOWN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

9. SALARY AND BENEFITS DISCLOSURE

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

	2023			2022
	Salary	Benefits & Allowances	Total	Total
Blagen	4,300	-	4,300	5,400
Johnson	3,900	24	3,924	4,893
Laughlin	7,150	217	7,367	9,126
CAO	38,711	8,029	46,740	43,483
Designated Officer (1)	7,050	-	7,050	6,950

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.

10. CONTINGENCIES

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

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

VILLAGE OF YOUNGSTOWN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

11. FINANCIAL INSTRUMENTS

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

The village is subject to credit risk with respect to taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

12. LOCAL AUTHORITIES PENSION PLAN

Employees of the village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves 291,259 people and 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The village is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the village are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current service contributions by the village to the LAPP during the year were \$3,834. Total current service contributions by the employees of the village to the Local Authorities Pension Plan during the year were \$3,380.

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 Billion.

13. COMPARITIVE FIGURES

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

14. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.