

TOWN OF VIKING
Consolidated Financial Statements
Year Ended December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Town of Viking

Opinion

We have audited the consolidated financial statements of Town of Viking (the Town), which comprise the consolidated statements of financial position, operations and accumulated surplus 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 Town as at December 31, 2022, and the consolidated results of its operations 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 Town 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.

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.

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

Those charged with governance are responsible for overseeing the Town'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.

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Independent Auditor's Report to the Members of Council of Town of Viking *(continued)*

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 Town'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 Town'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 Town 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.

Edmonton, Alberta
April 26, 2023




Chartered Professional Accountants

TOWN OF VIKING
Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 1,659,495	\$ 1,382,924
Receivables		
Taxes and grants in lieu of taxes receivables (Note 4)	192,405	173,589
Due from governments	557,456	695,856
Trade and other receivables	728,332	371,898
Inventories held for resale		
Land	226,826	226,826
Other - concession	8,215	6,517
	<u>3,372,729</u>	<u>2,857,610</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	252,247	236,525
Deposit liabilities	1,446	1,654
Deferred revenue (Note 6)	513,121	695,261
Long term debt (Note 7)	1,739,256	1,928,100
	<u>2,506,070</u>	<u>2,861,540</u>
NET FINANCIAL ASSETS (DEBT)	<u>866,659</u>	<u>(3,930)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	19,086,591	19,489,234
Prepaid expenses	10,172	19,361
	<u>19,096,763</u>	<u>19,508,595</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 19,963,422</u>	<u>\$ 19,504,665</u>

Commitments and contingencies - see Notes 14 and 15.

On behalf of the Members of Council

 Mayor
 Deputy Mayor

TOWN OF VIKING
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2022

	Budget 2022 <i>(Unaudited)</i>	2022	2021
REVENUE			
Net taxes available for municipal purposes <i>(Schedule 3)</i>	\$ 1,287,323	\$ 1,421,823	\$ 1,340,335
User fees and sales of goods	1,436,251	1,263,265	1,162,438
Government transfers for operating <i>(Schedule 4)</i>	332,578	537,829	501,051
Transfers from local boards and agencies	150,000	824,419	543,581
Franchise revenues	170,000	187,909	180,981
Rentals	177,500	178,863	162,280
Other revenue	7,500	6,464	20,491
Penalties and costs on taxes	145,075	25,566	26,020
Licenses, permits and fines	31,200	23,142	16,022
Investment income	496,500	40,991	8,999
Insurance proceeds	-	-	7,622
Gain on sale of tangible capital assets	5,000	-	-
	<u>4,238,927</u>	<u>4,510,271</u>	<u>3,969,820</u>
EXPENSES			
Legislative	79,750	53,954	94,443
Administration	668,400	670,394	632,445
Fire protection and safety services	112,940	121,455	112,255
Bylaw enforcement	94,500	61,831	63,487
Roads, streets, walks, lighting	683,624	957,384	822,808
Airport	11,050	12,843	6,437
Storm sewers and drainage	-	6,087	59,095
Water supply and distribution	781,738	747,814	819,404
Wastewater treatment and disposal	193,950	276,100	404,280
Waste management	62,000	54,861	57,059
Family and community support services	202,898	183,300	178,491
Land use planning, zoning and development	5,000	10,120	525
Subdivision land and development	-	311	311
Parks and recreation	942,110	1,069,361	1,083,072
Culture	42,000	40,231	39,876
Other utilities	30,046	86,486	98,289
	<u>3,910,006</u>	<u>4,352,532</u>	<u>4,472,277</u>
DEFICIENCY OF REVENUE OVER EXPENSES - BEFORE OTHER	328,921	157,739	(502,457)
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	493,369	301,018	791,532
EXCESS OF REVENUE OVER EXPENSES	822,290	458,757	289,075
ACCUMULATED SURPLUS - BEGINNING OF YEAR	19,504,665	19,504,665	19,215,590
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 20,326,955</u>	<u>\$ 19,963,422</u>	<u>\$ 19,504,665</u>

TOWN OF VIKING
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2022

	Budget 2022 <i>(Unaudited)</i>	2022	2021
Excess of revenue over expenses	\$ 328,921	\$ 458,757	\$ 289,074
Acquisition of tangible capital assets	(485,000)	(527,999)	(627,838)
Proceeds on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	-	930,641	923,226
Gain on sale of tangible capital assets	-	-	-
Reduction of prepaid expense	-	9,190	12,590
Acquisition of prepaid expense	-	-	-
	<u>(485,000)</u>	<u>411,832</u>	<u>307,978</u>
INCREASE IN NET ASSETS	(156,079)	870,589	597,052
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	<u>(3,930)</u>	<u>(3,930)</u>	<u>(600,982)</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	<u>\$ (160,009)</u>	<u>\$ 866,659</u>	<u>\$ (3,930)</u>

TOWN OF VIKING
Consolidated Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
Operating activities		
Cash receipts from taxes	\$ 1,749,614	\$ 1,706,640
Cash receipts from government	795,107	1,278,957
Cash receipts from others	2,127,628	2,209,316
Cash paid to suppliers and employees	(3,398,885)	(3,599,282)
Cash paid for requisitions	(321,041)	(321,621)
Investment income received	40,991	8,999
	<u>993,414</u>	<u>1,283,009</u>
Financing activities		
Repayment of temporary loans	-	(50,508)
Repayment of long term debt	(188,844)	(220,216)
	<u>(188,844)</u>	<u>(270,724)</u>
Capital activity		
Acquisition of tangible capital assets	(527,999)	(627,838)
Increase in cash and cash equivalents	276,571	384,447
Cash and cash equivalents - beginning of year	<u>1,382,924</u>	<u>998,478</u>
Cash and cash equivalents - end of year (Note 3)	<u>\$ 1,659,495</u>	<u>\$ 1,382,925</u>

TOWN OF VIKING

Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2022

(Schedule 1)

	Unrestricted Surplus	Restricted Operating Reserves	Restricted Capital Reserves	Equity in Tangible Capital Asset	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 1,651,927	\$ 73,118	\$ 218,486	\$ 17,561,134	\$ 19,504,665	\$ 19,215,591
Excess of revenue over expenses	458,757	-	-	-	458,757	289,074
Current year funds used for tangible capital assets	(527,999)	-	-	527,999	-	-
Annual amortization expense	930,642	-	-	(930,642)	-	-
Long term debt repaid	(188,844)	-	-	188,844	-	-
BALANCE, END OF YEAR	\$ 2,324,483	\$ 73,118	\$ 218,486	\$ 17,347,335	\$ 19,963,422	\$ 19,504,665

TOWN OF VIKING

Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2022

(Schedule 2)

	Land	Land Improvements		Buildings	Engineered Structures	Machinery and Equipment		Vehicle	2021	2022
COST										
BALANCE, BEGINNING OF YEAR	\$ 735,498	\$ 211,796	\$ 9,153,616	\$ 8,557,531	\$ 802,780	\$ 28,013	\$ 40,470,717	\$ 39,842,879		
Acquisition of tangible capital assets	-	-	-	462,915	-	65,084	527,999	627,838		
Disposal of tangible capital assets	-	-	-	-	-	-	-	-		
BALANCE, END OF YEAR	735,498	211,796	9,153,616	9,020,446	802,780	93,097	40,998,716	40,470,717		
ACCUMULATED AMORTIZATION										
BALANCE, BEGINNING OF YEAR	-	675,910	3,805,505	15,521,918	825,836	152,314	20,981,483	20,058,257		
Annual amortization	-	30,365	256,197	531,927	99,288	12,865	930,642	923,226		
Accumulated amortization on disposals	-	-	-	-	-	-	-	-		
BALANCE, END OF YEAR	-	706,275	4,061,702	16,053,845	925,124	165,179	21,912,125	20,981,483		
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 735,498	\$ (494,479)	\$ 5,091,914	\$ (7,033,399)	\$ (122,344)	\$ (72,082)	\$ 19,086,591	\$ 19,489,234		
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 735,498	\$ 211,796	\$ 9,153,616	\$ 8,557,531	\$ 802,780	\$ 28,013	\$ -	\$ 19,489,234		

TOWN OF VIKING
Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2022

(Schedule 3)

	Budget 2022 <i>(Unaudited)</i>	2022	2021
TAXATION			
Real property taxes	\$ 1,567,420	\$ 1,636,229	\$ 1,560,797
Linear property	-	59,814	54,810
Special assessments and local improvement taxes	32,256	31,920	31,920
Government grants in place of property taxes	-	14,901	14,429
	<u>1,599,676</u>	<u>1,742,864</u>	<u>1,661,956</u>
REQUISITIONS			
Alberta School Foundation Fund	257,776	266,464	270,096
Beaver Seniors Foundation	54,577	54,577	51,525
	<u>312,353</u>	<u>321,041</u>	<u>321,621</u>
NET MUNICIPAL TAXES	<u>\$ 1,287,323</u>	<u>\$ 1,421,823</u>	<u>\$ 1,340,335</u>

TOWN OF VIKING
Consolidated Schedule of Government Transfers
Year Ended December 31, 2022

(Schedule 4)

	Budget 2022 <i>(Unaudited)</i>	2022	2021
TRANSFERS FOR OPERATING			
Provincial government	\$ 72,648	\$ 227,925	\$ 89,772
Other local government	259,930	309,904	411,279
	<u>332,578</u>	<u>537,829</u>	<u>501,051</u>
TRANSFERS FOR CAPITAL			
Provincial government	493,369	301,018	791,532
	<u>493,369</u>	<u>301,018</u>	<u>791,532</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 825,947</u>	<u>\$ 838,847</u>	<u>\$ 1,292,583</u>

TOWN OF VIKING
Consolidated Schedule of Consolidated Expenses by Object
Year Ended December 31, 2022 (Schedule 5)

	Budget 2022 <i>(Unaudited)</i>	2022	2021
Materials, goods and utilities	\$ 1,565,408	\$ 1,277,594	\$ 1,435,364
Salaries, wages and benefits	1,090,227	1,002,696	1,029,298
Amortization of tangible capital assets	-	930,641	923,225
Contracted and general services	805,383	668,193	657,663
Transfers to local boards and agencies	376,575	405,203	326,537
Interest on long term debt	65,413	65,299	65,648
Bank charges and short term interest	7,000	2,904	2,306
Provision for allowances	-	-	32,236
	\$ 3,910,006	\$ 4,352,530	\$ 4,472,277

TOWN OF VIKING
 Consolidated Schedule of Segmented Disclosure
 Year Ended December 31, 2022

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health and Welfare	Planning and Development	Recreation and Culture	2022 Total
REVENUE								
Net municipal taxes	\$ 1,391,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,144	\$ 1,421,823
User fees and sales of goods	148,626	-	-	921,400	19,123	-	174,116	1,263,265
Transfers from local boards and agencies	824,419	-	-	-	-	-	-	824,419
Government transfers	528,943	-	-	-	158,211	27,866	123,827	838,847
Rentals	4,500	-	-	15,650	-	-	158,713	178,863
Franchise revenues	187,909	-	-	-	-	-	-	187,909
Penalties and costs on taxes	25,566	-	-	-	-	-	-	25,566
Other revenue	3,637	-	822	-	-	-	2,005	6,464
Investment income	40,991	-	-	-	-	-	-	40,991
Licenses, permits and fines	3,350	19,792	-	-	-	-	-	23,142
	3,159,620	19,792	822	937,050	177,334	27,866	488,805	4,811,289
EXPENSES								
Salaries, wages and benefits	353,125	-	149,652	170,732	(4,001)	-	333,190	1,002,698
Contracted and general services	204,319	61,860	138,459	122,392	14,062	10,120	116,981	668,193
Materials, goods and utilities	152,553	-	335,710	594,741	1,362	-	193,228	1,277,594
Transfers to local boards and agencies	-	121,426	-	-	171,876	-	111,901	405,203
Bank charges and short term interest	2,904	-	-	-	-	-	-	2,904
Interest on long term debt	-	-	-	41,568	-	-	23,731	65,299
	712,901	183,286	623,821	929,433	183,299	10,120	779,031	3,421,891
NET REVENUE BEFORE AMORTIZATION	2,446,719	(163,494)	(622,999)	7,617	(5,965)	17,746	(290,226)	1,389,398
Amortization of tangible capital assets	11,445	-	346,406	241,915	-	311	330,564	930,641
NET REVENUE	\$ 2,435,274	\$ (163,494)	\$ (969,405)	\$ (234,298)	\$ (5,965)	\$ 17,435	\$ (620,790)	\$ 458,757

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

1. Summary of significant accounting policies

The consolidated financial statements of the Town of Viking 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 Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the municipality are as follows:

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 municipality and are, therefore, accountable to 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 organization transactions and balances are eliminated.

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 and 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, regulations 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.

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses 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.

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TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

1. Summary of significant accounting policies (continued)

Valuation of Financial Assets and Liabilities

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Taxes trade and other receivable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long term debt	Amortized cost

Cash and cash equivalents

Cash includes cash and cash equivalents. Currently the municipality carries all of its cash in the current account which is valued at cost. The carrying amount of the current account approximates fair value.

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 leveling 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.

Concession inventory

Concession inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Revenue recognition

Tax revenue 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.

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.

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.

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TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

1. Summary of significant accounting policies (continued)

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 (debt) during the year, together with the excess of revenue over expenses, provides the consolidated change in net financial assets (debt) for the year.

Tangible capital assets

Tangible capital assets are stated at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, less accumulated amortization. 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	10 - 25 years
Buildings	25 - 50 years
Engineering structures	10 - 75 years
Machinery and equipment	5 - 25 years
Vehicles	10 - 25 years

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.

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.

Cultural and historical tangible capital assets

The Town of Viking currently owns several cultural properties with an accumulated historical cost of \$428,424. In compliance with the Town's accounting policies, cultural and historical tangible capital assets are not recorded as tangible capital assets in the financial statements and are not amortized.

2. Financial instruments

The Town's financial instruments consist of cash and cash equivalents, accounts receivables, prepaid expenses, revolving loan, accounts payable and accrued liabilities, deposit liabilities and long term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town 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 Town 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.

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

3. Cash and cash equivalents

	2022	2021
Cash on hand and in bank	\$ 1,659,495	\$ 1,382,924
Externally restricted	(16,455)	(56,010)
Internally restricted	(291,604)	(291,604)
Unrestricted	\$ 1,351,436	\$ 1,035,310

Amounts externally restricted:

Prepaid facility memberships	\$ 6,474	\$ 6,474
Prepaid business licenses	1,800	1,800
Municipal Sustainability Initiative Capital and Gas Tax Fund - to fund eligible capital projects, as approved under the funding agreements	8,181	8,181
Family and Community Family Services grant	-	39,555
	\$ 16,455	\$ 56,010

Amounts internally restricted:

Designated by Council for capital projects and equipment replacement	\$ 218,486	\$ 218,486
Designated by Council for operating reserves	73,118	73,118
	\$ 291,604	\$ 291,604

The Town has a revolving line of credit with a limit of \$200,000 to be used for day-to-day expenses. Interest is calculated from the date funds are advanced on the daily outstanding principal at prime plus 1% per annum and payable on the last day of each month. There was no advancement from the temporary loan during the year.

4. Taxes and grants in lieu of taxes receivable

	2022	2021
Current taxes and grants in lieu	\$ 81,290	\$ 55,084
Tax arrears	111,115	118,505
	\$ 192,405	\$ 173,589

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

5. Employee benefit obligations

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The amounts of \$32,346 (2021 - \$52,452) are included in accounts payable and accrued liabilities.

The Town also has accumulating non-vesting sick leave benefits.

6. Deferred revenue

Prepaid business licenses	\$ 1,800	\$ 1,800
Prepaid facility memberships	6,474	6,474
Municipal Sustainability Initiative - capital	149,714	357,199
The Canada Community-Building Fund (formerly the Gas Tax Fund)	355,133	290,233
Family and Community Family Services grant	-	39,555
	<u>\$ 513,121</u>	<u>\$ 695,261</u>

Funding received from the various grant programs noted above are restricted to the eligible capital projects as approved under the funding agreements. Operating grant or revenue received in advance for services which have not yet been performed are shown as deferred. Unexpended funds related to funding advances are supported by restricted cash and cash equivalents (see Note 3). In the current year, Capital Municipal Sustainability Initiative and the Canada Community-Building Fund totaled \$517,568 (2021 - \$660,153) have been allocated to the Town, but yet to be received at year end. Therefore, this amount has not been included as part of restricted cash and cash equivalents under Note 3.

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

7. Long term debt

	2022	2021
Debenture debt	\$ 1,348,336	\$ 1,478,100
Non-revolving loan	390,920	450,000
	\$ 1,739,256	\$ 1,928,100

The current portion of the long term debts amounts to \$209,503 (2021 - \$204,764). Principal and interest repayments are as follows:

	Principal	Interest	Total
2023	\$ 209,503	\$ 53,071	\$ 262,574
2024	214,428	46,106	260,534
2025	219,548	38,901	258,449
2026	224,870	31,517	256,387
2027	230,402	23,922	254,324
Thereafter	640,505	56,686	697,191

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest ranging from 2.5519% to 4.551% per annum and matures in periods 2028 to 2034.

Debenture debt is issued on the credit and security of the Town at large.

The non-revolving loan is used on the overage of costs on Highway 619. It bears interest at prime plus 6.75% per annum, and with an annual principal payments of \$75,000 due November 30 of each year.

Interest on long term debt including accrued interest payable amounted to \$65,299 (2021 - \$65,648).

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

8. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the municipality be disclosed as follows:

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 6,765,407	\$ 5,954,730
Total long term debt	<u>(1,739,256)</u>	<u>(1,928,100)</u>
Amount of debt limit unused	<u>\$ 5,026,151</u>	<u>\$ 4,026,630</u>
Debt servicing limit	\$ 1,127,568	\$ 992,455
Debt services	<u>(262,574)</u>	<u>(264,636)</u>
Amount of debt servicing limit unused	<u>\$ 864,994</u>	<u>\$ 727,819</u>

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

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 25520/00) 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 financial statements must be interpreted as a whole.

9. Equity in tangible capital assets

	<u>2022</u>	<u>2021</u>
Tangible capital assets (<i>Schedule 2</i>)	\$ 40,998,715	\$ 40,470,717
Accumulated amortization (<i>Schedule 2</i>)	<u>(21,912,124)</u>	<u>(20,981,483)</u>
Long term debt - capital (<i>Note 7</i>)	<u>(1,739,256)</u>	<u>(1,928,100)</u>
	<u>\$ 17,347,335</u>	<u>\$ 17,561,134</u>

10. Accumulated surplus

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

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 2,324,483	\$ 1,651,927
Restricted surplus		
Operating reserves	73,118	73,118
Capital reserves	218,486	218,486
Equity in tangible capital assets	<u>17,347,335</u>	<u>17,561,134</u>
	<u>\$ 19,963,422</u>	<u>\$ 19,504,665</u>

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

11. Segmented disclosure

The Town 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. Schedule of Segmented Disclosure is included as Schedule 6 of the financial statements.

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

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

12. Salaries and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	Salary (1)	Benefits and allowances (2)	2022	2021
Mayor				
L. Yakiwchuk	\$ 14,587	\$ 729	\$ 15,316	\$ 4,900
Former Mayor				
J. Ritchie	-	-	-	11,218
Councilors				
J. Buttner	6,926	334	7,260	3,376
C. Lefsrud	8,582	390	8,972	3,255
D. Ewashko	3,708	166	3,874	7,797
C. Nearing	3,593	160	3,753	8,039
Former Councilors				
G. Hafso	5,794	273	6,067	10,920
D. O' Toole-Balaban	1,699	81	1,780	11,495
J. Acres	-	-	-	9,844
L. Weisgerber	-	-	-	7,190
Chief administrative officer				
D. Lefsrud	21,250	1,617	22,867	-
Former Chief administrative officers				
S. Garbe	89,747	14,125	103,872	-
D. McLeod	124,895	4,365	129,260	124,558
	\$ 280,781	\$ 22,240	\$ 303,021	\$ 202,592

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and 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.
3. The Town's assessor is a designated officer as established by the Town's bylaw. The position is contracted out to a third-party and the assessor is not considered as an employee of the Town. Total fees paid to the assessor amounted to \$14,346 (2021 - \$15,060).

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2022

13. Local Authorities Pension Plan

Employees of the Town 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 is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current services are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 8.45% (2021 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% (2021 - 13.84%) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% (2021 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 11.80% (2021 - 12.84%) on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP were \$52,764 (2021 - \$72,779). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan were \$46,918 (2021 - \$65,442).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.9 million.

14. Commitments

The Town has various cost sharing agreements with surrounding municipalities. The purpose of these agreements is to maintain or enhance regional services, assets and programs, thereby, improving the social, economic and environmental well-being of the region.

The Town has entered into various equipment and vehicle leases. The minimum payments as required are as follows:

2023	\$	45,964
2024		10,311

15. Contingent liability

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the municipality 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 Town as well as several Town employees are currently named as defendant's in a civil action. The Town has been advised that the matter, dependant on the final resolution, is an insurance claim limiting the Town's liability to an applicable deductible.

16. Approval of financial statements

Council and management have approved these financial statements.
