

TOWN OF VIKING
Consolidated Financial Statements
Year Ended December 31, 2021



Donnelly & Co. LLP
Chartered Professional Accountants



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, 2021, 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 19, 2022




Chartered Professional Accountants

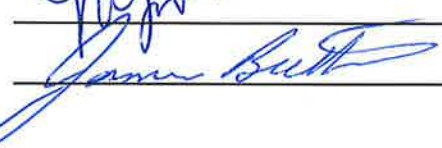
TOWN OF VIKING
Consolidated Statement of Financial Position
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 3)</i>	\$ 1,382,924	\$ 998,478
Receivables		
Taxes and grants in lieu of taxes receivables <i>(Note 4)</i>	173,589	192,253
Due from governments	695,856	531,822
Trade and other receivables	371,898	494,443
Inventories held for resale		
Land	226,826	226,826
Other - concession	6,517	5,654
	<u>2,857,610</u>	<u>2,449,476</u>
LIABILITIES		
Revolving loan <i>(Notes 3, 5)</i>	-	50,508
Accounts payable and accrued liabilities <i>(Note 6)</i>	236,525	298,483
Deposit liabilities	1,654	1,654
Deferred revenue <i>(Note 7)</i>	695,261	551,497
Long term debt <i>(Note 8)</i>	1,928,100	2,148,316
	<u>2,861,540</u>	<u>3,050,458</u>
NET FINANCIAL ASSETS (DEBT)	<u>(3,930)</u>	<u>(600,982)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	19,489,234	19,784,622
Prepaid expenses	19,361	31,951
	<u>19,508,595</u>	<u>19,816,573</u>
ACCUMULATED SURPLUS <i>(Note 11)</i>	<u>\$ 19,504,665</u>	<u>\$ 19,215,591</u>

Commitments and contingencies - see Notes 15 and 16.

On behalf of the Members of Council


 _____ Mayor


 _____ Deputy Mayor

TOWN OF VIKING
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2021

	Budget 2021 <i>(Unaudited)</i>	2021	2020
REVENUE			
Net taxes available for municipal purposes <i>(Schedule 3)</i>	\$ 1,287,323	\$ 1,340,335	\$ 1,435,611
User fees and sales of goods	1,367,646	1,162,438	1,047,348
Government transfers for operating <i>(Schedule 4)</i>	499,446	501,051	528,514
Transfers from local boards and agencies	518,684	543,581	283,099
Franchise revenues	170,000	180,981	146,085
Rentals	175,500	162,280	157,303
Other revenue	7,500	20,491	7,010
Penalties and costs on taxes	140,725	26,020	22,748
Licenses, permits and fines	56,000	16,022	6,835
Investment income	5,000	8,999	4,670
Insurance proceeds	-	7,622	-
Gain on sale of tangible capital assets	5,000	-	7,012
	<u>4,232,824</u>	<u>3,969,820</u>	<u>3,646,235</u>
EXPENSES			
Legislative	104,750	94,443	94,988
Administration	602,450	632,473	574,536
Fire protection and safety services	112,940	112,227	155,195
Bylaw enforcement	69,700	63,487	9,829
Roads, streets, walks, lighting	675,624	822,808	836,402
Airport	11,050	6,437	6,997
Storm sewers and drainage	40,000	59,095	172,667
Water supply and distribution	682,938	819,404	704,349
Wastewater treatment and disposal	171,450	404,280	308,938
Waste management	56,000	57,059	58,963
Family and community support services	202,898	178,491	203,482
Land use planning, zoning and development	5,000	525	11,565
Subdivision land and development	65,000	311	311
Parks and recreation	926,992	1,083,072	1,071,297
Culture	42,000	39,876	36,748
Other utilities	29,915	98,289	96,805
	<u>3,798,707</u>	<u>4,472,277</u>	<u>4,343,072</u>
DEFICIENCY OF REVENUE OVER EXPENSES - BEFORE OTHER	434,117	(502,457)	(696,837)
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	534,021	791,532	1,367,453
EXCESS OF REVENUE OVER EXPENSES	968,138	289,075	670,616
ACCUMULATED SURPLUS - BEGINNING OF YEAR	19,215,591	19,215,591	18,544,975
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 20,183,729</u>	<u>\$ 19,504,666</u>	<u>\$ 19,215,591</u>

TOWN OF VIKING
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2021

	Budget 2021 <i>(Unaudited)</i>	2021	2020
Excess of revenue over expenses	\$ 968,138	\$ 289,074	\$ 670,615
Acquisition of tangible capital assets	-	(627,838)	(1,279,489)
Proceeds on disposal of tangible capital assets	-	-	7,012
Amortization of tangible capital assets	-	923,226	906,554
Gain on sale of tangible capital assets	-	-	(7,012)
Reduction of prepaid expense	-	12,590	9,215
Acquisition of prepaid expense	-	-	(3,400)
	-	307,978	(367,120)
INCREASE IN NET ASSETS	968,138	597,052	303,495
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	(600,982)	(600,982)	(904,477)
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ 367,156	\$ (3,930)	\$ (600,982)

TOWN OF VIKING
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
Operating activities		
Cash receipts from taxes	\$ 1,706,640	\$ 1,957,517
Cash receipts from government	1,278,957	1,886,132
Cash receipts from others	2,209,316	1,681,859
Cash paid to suppliers and employees	(3,599,282)	(3,316,374)
Cash paid for requisitions	(321,621)	(322,740)
Investment income received	8,999	4,670
	<u>1,283,009</u>	<u>1,891,064</u>
Financing activities		
Advance from temporary loans	-	50,508
Repayment of temporary loans	(50,508)	-
Repayment of long term debt	(220,216)	(297,498)
	<u>(270,724)</u>	<u>(246,990)</u>
Capital activity		
Acquisition of tangible capital assets	(627,838)	(1,279,489)
Sale of tangible capital assets	-	7,013
	<u>(627,838)</u>	<u>(1,272,476)</u>
Increase in cash and cash equivalents	384,447	371,598
Cash and cash equivalents - beginning of year	<u>998,478</u>	<u>626,880</u>
Cash and cash equivalents - end of year (Note 3)	\$ 1,382,925	\$ 998,478

TOWN OF VIKING

Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2021

(Schedule 1)

	Unrestricted Surplus	Restricted Operating Reserves	Restricted Capital Reserves	Equity in Tangible Capital Asset	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 1,287,681	\$ 73,118	\$ 218,486	\$ 17,636,306	\$ 19,215,591	\$ 18,544,975
Excess of revenue over expenses	289,074	-	-	-	289,074	670,616
Current year funds used for tangible capital assets	(627,838)	-	-	627,838	-	-
Annual amortization expense	923,226	-	-	(923,226)	-	-
Long term debt repaid	(220,216)	-	-	220,216	-	-
BALANCE, END OF YEAR	\$ 1,651,927	\$ 73,118	\$ 218,486	\$ 17,561,134	\$ 19,504,665	\$ 19,215,591

TOWN OF VIKING
 Consolidated Schedule of Tangible Capital Assets
 Year Ended December 31, 2021

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicle		
							2021	2020
COST								
BALANCE, BEGINNING OF YEAR	\$ 735,498	\$ 887,706	\$ 12,959,121	\$ 23,493,252	\$ 1,586,975	\$ 180,327	\$ 39,842,879	\$ 38,622,329
Acquisition of tangible capital assets	-	-	-	586,197	41,641	-	627,838	1,279,489
Disposal of tangible capital assets	-	-	-	-	-	-	-	(58,939)
BALANCE, END OF YEAR	735,498	887,706	12,959,121	24,079,449	1,628,616	180,327	40,470,717	39,842,879
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	644,917	3,549,308	15,000,226	723,848	139,958	20,058,257	19,210,642
Annual amortization	-	30,993	256,197	521,692	101,988	12,356	923,226	906,554
Accumulated amortization on disposals	-	-	-	-	-	-	-	(58,939)
BALANCE, END OF YEAR	-	675,910	3,805,505	15,521,918	825,836	152,314	20,981,483	20,058,257
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 735,498	\$ 211,796	\$ 9,153,616	\$ 8,557,531	\$ 802,780	\$ 28,013	\$ 19,489,234	\$ 19,784,622
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 735,498	\$ 242,789	\$ 9,409,813	\$ 8,493,026	\$ 863,127	\$ 40,369	\$ 19,784,622	\$ 19,784,622

TOWN OF VIKING
Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2021

(Schedule 3)

	Budget 2021 <i>(Unaudited)</i>	2021	2020
TAXATION			
Real property taxes	\$ 1,564,368	\$ 1,560,797	\$ 1,658,038
Linear property	-	54,810	54,059
Special assessments and local improvement taxes	32,256	31,920	31,581
Government grants in place of property taxes	-	14,429	14,673
	<u>1,596,624</u>	<u>1,661,956</u>	<u>1,758,351</u>
REQUISITIONS			
Alberta School Foundation Fund	257,776	270,096	271,718
Beaver Seniors Foundation	51,525	51,525	51,022
	<u>309,301</u>	<u>321,621</u>	<u>322,740</u>
NET MUNICIPAL TAXES	<u>\$ 1,287,323</u>	<u>\$ 1,340,335</u>	<u>\$ 1,435,611</u>

TOWN OF VIKING
Consolidated Schedule of Government Transfers
Year Ended December 31, 2021

(Schedule 4)

	Budget 2021 <i>(Unaudited)</i>	2021	2020
TRANSFERS FOR OPERATING			
Provincial government	\$ 71,911	\$ 89,772	\$ 187,292
Other local government	418,021	411,279	341,222
	<u>489,932</u>	<u>501,051</u>	<u>528,514</u>
TRANSFERS FOR CAPITAL			
Federal government	-	-	50,000
Provincial government	192,000	791,532	1,317,453
	<u>192,000</u>	<u>791,532</u>	<u>1,367,453</u>
	<u>192,000</u>	<u>791,532</u>	<u>1,367,453</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 681,932</u>	<u>\$ 1,292,583</u>	<u>\$ 1,895,967</u>

TOWN OF VIKING
Consolidated Schedule of Consolidated Expenses by Object
Year Ended December 31, 2021

(Schedule 5)

	Budget 2021 (Unaudited)	2021	2020
Materials, goods and utilities	\$ 1,515,458	\$ 1,435,363	\$ 1,359,996
Salaries, wages and benefits	1,005,926	1,029,299	993,810
Amortization of tangible capital assets	-	923,226	906,554
Contracted and general services	767,184	657,663	581,864
Transfers to local boards and agencies	385,926	326,537	422,094
Interest on long term debt	52,213	65,648	69,758
Provision for allowances	-	32,236	5,870
Bank charges and short term interest	7,000	2,306	3,126
Other expenditures	65,000	-	-
	\$ 3,798,707	\$ 4,472,278	\$ 4,343,072

TOWN OF VIKING
 Consolidated Schedule of Segmented Disclosure
 Year Ended December 31, 2021

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health and Welfare	Planning and Development	Recreation and Culture	2021 Total
REVENUE								
Net municipal taxes	\$ 1,310,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,144	\$ 1,340,335
User fees and sales of goods	132,509	-	-	895,491	25,613	-	108,825	1,162,438
Transfers from local boards and agencies	543,581	-	-	-	-	-	-	543,581
Government transfers	582,110	-	-	299,194	137,746	155,384	118,149	1,292,583
Rentals	10,740	-	-	13,957	-	-	137,583	162,280
Franchise revenues	180,981	-	-	-	-	-	-	180,981
Penalties and costs on taxes	26,020	-	-	-	-	-	-	26,020
Other revenue	514	-	2,661	-	-	-	17,316	20,491
Insurance proceeds	-	-	7,622	-	-	-	-	7,622
Investment income	8,999	-	-	-	-	-	-	8,999
Licenses, permits and fines	4,725	11,297	-	-	-	-	-	16,022
	2,800,370	11,297	10,283	1,208,642	163,359	155,384	412,017	4,761,352
EXPENSES								
Salaries, wages and benefits	374,175	-	108,755	200,957	(1,937)	-	347,349	1,029,299
Contracted and general services	212,321	63,515	61,405	140,212	14,236	525	165,449	657,663
Materials, goods and utilities	93,404	-	314,625	823,301	1,678	-	202,355	1,435,363
Transfers to local boards and agencies	-	112,227	-	-	164,515	-	49,795	326,537
Provision for allowances	32,236	-	-	-	-	-	-	32,236
Bank charges and short term interest	2,306	-	-	-	-	-	-	2,306
Interest on long term debt	-	-	-	38,841	-	-	26,807	65,648
	714,442	175,742	484,785	1,203,311	178,492	525	791,755	3,549,052
NET REVENUE BEFORE AMORTIZATION	2,085,928	(164,445)	(474,502)	5,331	(15,133)	154,859	(379,738)	1,212,300
Amortization of tangible capital assets	12,445	-	344,460	234,818	-	311	331,192	923,226
NET REVENUE	\$ 2,073,483	\$ (164,445)	\$ (818,962)	\$ (229,487)	\$ (15,133)	\$ 154,548	\$ (710,930)	\$ 289,074

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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.

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

(continues)

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

1. Summary of significant accounting policies (continued)

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.

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.

(continues)

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

1. Summary of significant accounting policies (continued)

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, 2021

3. Cash and cash equivalents

	2021	2020
Cash on hand and in bank	\$ 1,382,924	\$ 998,478
Externally restricted	(56,010)	(12,525)
Internally restricted	(291,604)	(780,118)
Unrestricted	\$ 1,035,310	\$ 205,835

Amounts externally restricted:

Prepaid facility memberships	\$ 6,474	\$ 13,118
Prepaid business licenses	1,800	1,800
Family and Community Family Services grant	39,555	-
Municipal Sustainability Initiative Capital and Gas Tax Fund - to fund eligible capital projects, as approved under the funding agreements	8,181	35,421
Alberta Community Partnership Intermunicipal Collaboration Component - to conduct a stormwater management study	-	34,785
Municipal Sustainability Initiative Operating	-	1,369
	\$ 56,010	\$ 86,493

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

4. Taxes and grants in lieu of taxes receivable

	2021	2020
Current taxes and grants in lieu	\$ 55,084	\$ 62,307
Tax arrears	118,505	177,446
	173,589	239,753
Less: allowance for doubtful accounts	-	(47,500)
	\$ 173,589	\$ 192,253

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

5. Temporary loan payable

	2021	2020
Revolving loan	\$ -	\$ 50,508

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. The temporary loan is payable in full on demand.

6. 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 \$52,452 (2020 - \$51,114) are included in accounts payable and accrued liabilities.

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

7. Deferred revenue

Prepaid business licenses	\$ 1,800	\$ 1,800
Prepaid facility memberships	6,474	13,118
Municipal Sustainability Initiative - capital	357,199	336,999
The Canada Community-Building Fund (formerly the Gas Tax Fund)	290,233	163,426
Family and Community Family Services grant	39,555	-
Alberta Community Partnership Intermunicipal Collaboration Component	-	34,785
Municipal Sustainability Initiative - operating	-	1,369
	\$ 695,261	\$ 551,497

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 \$660,153 (2020 - \$485,906) 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, 2021

8. Long term debt

	2021	2020
Debenture debt	\$ 1,478,100	\$ 1,603,304
Non-revolving loan	450,000	525,000
Equipment loan	-	20,012
	\$ 1,928,100	\$ 2,148,316

The current portion of the long term debts amounts to \$204,764 (2020 - \$209,921). Principal and interest repayments are as follows:

	Principal	Interest	Total
2022	\$ 204,764	\$ 59,872	\$ 264,636
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
Thereafter	854,987	79,533	934,520

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 0.3% 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 \$65,648 (2020 - \$69,758).

The Town's total cash payment for long term interest in 2021 was \$66,408 (2020 - \$71,802).

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

9. 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:

	2021	2020
Total debt limit	\$ 5,954,730	\$ 5,469,353
Total long term debt	(1,928,100)	(2,148,316)
Amount of debt limit unused	\$ 4,026,630	\$ 3,321,037
Debt servicing limit	\$ 992,455	\$ 911,559
Debt services	(264,636)	(275,775)
Amount of debt servicing limit unused	\$ 727,819	\$ 635,784

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.

10. Equity in tangible capital assets

	2021	2020
Tangible capital assets (<i>Schedule 2</i>)	\$ 40,470,717	\$ 39,842,879
Accumulated amortization (<i>Schedule 2</i>)	(20,981,483)	(20,058,257)
Long term debt - capital (<i>Note 8</i>)	(1,928,100)	(2,148,316)
	\$ 17,561,134	\$ 17,636,306

11. Accumulated surplus

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

	2021	2020
Unrestricted surplus	\$ 1,651,927	\$ 1,287,681
Restricted surplus		
Operating reserves	73,118	73,118
Capital reserves	218,486	218,486
Equity in tangible capital assets	17,561,134	17,636,306
	\$ 19,504,665	\$ 19,215,591

TOWN OF VIKING
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

12. 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.

13. 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)	2021	2020
Mayor				
L. Yakiwchuk	\$ 4,658	\$ 242	\$ 4,900	\$ -
Former Mayor				
J. Ritchie	10,695	523	11,218	22,372
Councillors				
J. Buttner	3,213	163	3,376	-
G. Hafso	10,435	485	10,920	10,431
D. O' Toole-Balaban	10,975	520	11,495	10,068
C. Lefsrud	3,098	157	3,255	-
Former Councillors				
J. Acres	9,750	94	9,844	11,279
D. Ewashko	7,450	347	7,797	10,795
C. Nearing	7,680	359	8,039	8,979
L. Weisgerber	6,875	315	7,190	8,616
Chief administrative officer	110,000	14,558	124,558	127,539
	\$ 184,829	\$ 17,763	\$ 202,592	\$ 210,079

- Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and other direct cash remuneration.
- 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.
- 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 \$15,260 (2020 - \$15,060).

TOWN OF VIKING
Notes to Consolidated Financial Statements
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14. 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 9.39% (2020 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% (2020 - 13.84%) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% (2020 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2020 - 12.84%) on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP were \$72,779 (2020 - \$72,038). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan were \$65,442 (2020 - \$64,890).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.96 billion.

15. 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:

2022	\$	45,964
2023		45,964
2024		10,311
		<hr/>
	\$	102,239

16. 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.

17. Approval of financial statements

Council and management have approved these financial statements.
