VILLAGE OF YOUNGSTOWN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022, 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, 2022, 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 reasonable 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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CPA CHARTERED PROFESSIONAL ACCOUNTANT

Brian King Professional Corporation
Box 560, Hardisty, Alberta T0B 1V0

- 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 then 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

April 3, 2023

Brian King Professional Corporation

Chartered Professional Accountant

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CPA CHARTERED PROFESSIONAL ACCOUNTANT

VILLAGE OF YOUNGSTOWN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and term deposits (Note 2)	**888,797**	1,048,971
Taxes and grants in place of taxes (Note 3)	**18,334**	18,829
Trade and other receivables	**17,188**	51,548
Due from other governments	**249,567**	191,946
	1,173,886	1,311,294
LIABILITIES		
Accounts payable and accrued liabilities	**50,286**	38,801
Deposits	**1,740**	1,740
Deferred revenue (Note 4)	**490,601**	636,948
	542,627	677,489
NET FINANCIAL ASSETS	**631,259**	633,805
NON-FINANCIAL ASSETS		
Tangible capital assets	**3,046,840**	2,926,126
Prepaid expenses	**6,273**	7,001
	3,053,113	2,933,127
ACCUMULATED SURPLUS (NOTE 7)	**3,684,372**	3,566,932

Commitments and contingencies - See Note 10

VILLAGE OF YOUNGSTOWN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (unaudited)	2022	2021
REVENUE			
Net municipal property taxes (Schedule 3)	133,428	**134,258**	128,807
User fees and sales of goods	124,100	**122,721**	119,984
Penalties and costs on taxes	5,300	**5,610**	5,309
Licenses and permits	100	**-**	88
Fines	250	**150**	-
Franchise and concession contracts	3,000	**3,166**	2,612
Investment income	6,700	**24,918**	6,668
Rentals	6,088	**6,188**	6,088
Government transfers for operating	136,826	**133,029**	158,551
Other	2,250	**3,625**	48,131
	418,042	**433,665**	476,238
EXPENSES			
Legislative	26,217	**20,353**	23,405
Administration	97,770	**96,417**	99,128
Protective services	17,405	**20,936**	18,158
Transportation	145,422	**58,966**	42,299
Water supply and distribution	173,749	**100,193**	95,927
Wastewater treatment and disposal	93,249	**20,207**	17,735
Waste management	37,305	**36,559**	36,575
Public health and welfare	6,265	**6,265**	6,265
Recreation	63,000	**60,527**	71,945
Culture	3,470	**3,469**	6,719
Amortization	126,926	**145,367**	126,928
	790,778	**569,259**	545,084
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(372,736)	**(135,594)**	(68,846)
OTHER			
Government transfers for capital (Schedule 4)	255,000	**253,034**	318,419
EXCESS OF REVENUE OVER EXPENSES	(117,736)	**117,440**	249,573
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,566,932	**3,566,932**	3,317,359
ACCUMULATED SURPLUS, END OF YEAR	3,449,196	**3,684,372**	3,566,932

VILLAGE OF YOUNGSTOWN

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (unaudited)	**2022**	2021
EXCESS OF REVENUE OVER EXPENSES	(117,736)	**117,440**	249,573
Acquisition of tangible capital assets	(6,000)	**(266,081)**	(321,469)
Amortization of tangible capital assets	126,926	**145,367**	126,928
	120,926	**(120,714)**	(194,541)
Net (increase) decrease of prepaid assets	-	**728**	244
INCREASE IN NET FINANCIAL ASSETS	3,190	**(2,546)**	55,276
NET FINANCIAL ASSETS, BEGINNING OF YEAR	633,805	**633,805**	578,529
NET FINANCIAL ASSETS, END OF YEAR	636,995	**631,259**	633,805

VILLAGE OF YOUNGSTOWN

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	**117,440**	249,573
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	**145,367**	126,928
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	**495**	(51)
Decrease (increase) in due from other governments	**(57,621)**	65,750
Decrease (increase) in trade and other receivables	**34,360**	(26,107)
Decrease (increase) in loan receivable	**-**	2,000
Decrease (increase) in prepaid expenses	**728**	244
Increase (decrease) in accounts payable and accrued liabilities	**11,485**	(27,148)
Increase (decrease) in deferred revenue	**(146,347)**	(98,573)
	105,907	292,616
CAPITAL		
Acquisition of tangible capital assets	**(266,081)**	(321,469)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	**204,287**	(5,959)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	**44,113**	(34,812)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**553,163**	587,975
CASH AND CASH EQUIVALENTS, END OF YEAR	**597,276**	553,163
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash and temporary investments (Note 2)	**888,797**	1,048,971
Less: restricted portion of cash and temporary investments (Note 2)	**(291,521)**	(495,808)
	597,276	553,163

VILLAGE OF YOUNGSTOWN

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	**2022**	2021
BALANCE, BEGINNING OF YEAR	541,665	99,141	2,926,126	**3,566,932**	3,317,359
Excess (deficiency) of revenues over expenses	117,440	-	-	**117,440**	249,573
Restricted funds used for operations	9,368	(9,368)	-	-	-
Current year funds used for tangible capital assets	(266,081)	-	266,081	-	-
Annual amortization expense	145,367	-	(145,367)	-	-
Change in accumulated surplus	6,094	(9,368)	120,714	**117,440**	249,573
BALANCE, END OF YEAR	547,759	89,773	3,046,840	**3,684,372**	3,566,932

VILLAGE OF YOUNGSTOWN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Schedule 2)

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	**2022**	2021
COST:								
Balance - beginning of year	105,038	3,443	3,110,413	3,276,405	321,799	51,010	**6,868,108**	6,546,639
Acquisition of tangible capital assets	-	-	-	260,081	6,000	-	**266,081**	321,469
Balance - end of year	105,038	3,443	3,110,413	3,536,486	327,799	51,010	**7,134,189**	6,868,108
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	3,443	1,958,995	1,778,085	183,235	18,224	**3,941,982**	3,815,054
Annual amortization	-	-	59,834	55,178	25,671	4,684	**145,367**	126,928
Balance - end of year	-	3,443	2,018,829	1,833,263	208,906	22,908	**4,087,349**	3,941,982
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	**105,038**	**-**	**1,091,584**	**1,703,223**	**118,893**	**28,102**	**3,046,840**	2,926,126
OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	105,038	-	1,151,418	1,498,320	138,564	32,786	2,926,126	

VILLAGE OF YOUNGSTOWN

CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2022
(Schedule 3)

	Budget (Unaudited)	**2022**	2021
TAXATION			
Real property taxes	160,526	**161,356**	152,687
Linear property taxes	6,708	**6,708**	6,350
Government grants in place of property taxes	499	**499**	499
	167,733	**168,563**	159,536
REQUISITIONS			
Alberta School Foundation	29,376	**29,376**	26,787
Acadia Foundation	4,929	**4,929**	3,942
	34,305	**34,305**	30,729
NET MUNICIPAL TAXES	133,428	**134,258**	128,807

VILLAGE OF YOUNGSTOWN

CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Schedule 4)

	Budget (Unaudited)	2022	2021
TRANSFERS FOR OPERATING			
Federal Government	2,100	**2,100**	3,150
Provincial Government	34,726	**34,726**	63,013
Local Governments	100,000	**96,203**	92,388
	136,826	**133,029**	158,551
TRANSFERS FOR CAPITAL			
Federal Government	50,000	**50,000**	131,346
Provincial Government	205,000	**203,034**	187,073
	255,000	**253,034**	318,419
TOTAL GOVERNMENT TRANSFERS	391,826	**386,063**	476,970

VILLAGE OF YOUNGSTOWN

CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2022
(Schedule 5)

	Budget (Unaudited)	**2022**	2021
Expenditures			
Salaries, wages and benefits	133,542	**130,969**	131,920
Contracted and general services	330,466	**73,501**	62,053
Materials, goods and utilities	135,727	**136,058**	134,124
Provision for allowances	-	**-**	(2,481)
Transfers to other governments	3,882	**3,882**	2,586
Transfers to local boards and agencies	59,735	**74,734**	89,954
Transfers to individuals and agencies	-	**4,000**	-
Other expenditures	500	**748**	-
Amortization of tangible capital assets	126,926	**145,367**	126,928
	790,778	**569,259**	545,084

VILLAGE OF YOUNGSTOWN

SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2022
(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)	134,258	-	-	-	-	-	-	134,258
User fees and sales of goods	182	-	-	122,539	-	-	-	122,721
Penalties and costs on taxes	3,686	-	-	1,924	-	-	-	5,610
Fines	-	150	-	-	-	-	-	150
Franchise and concession contracts	3,166	-	-	-	-	-	-	3,166
Investment income	24,918	-	-	-	-	-	-	24,918
Rentals	6,188	-	-	-	-	-	-	6,188
Government transfers	89,714	2,571	2,100	-	5,012	-	33,632	133,029
Other	1,545	-	500	1,580	-	-	-	3,625
	263,657	2,721	2,600	126,043	5,012	-	33,632	433,665
EXPENSES								
Salaries, wages and benefits	68,466	295	21,052	41,156	-	-	-	130,969
Contracted and general services	34,284	3,505	9,660	26,052	-	-	-	73,501
Materials, goods and utilities	7,272	7,254	28,254	89,751	-	-	3,527	136,058
Transfers to other governments	-	3,882	-	-	-	-	-	3,882
Transfers to local boards and agencies	6,000	6,000	-	-	6,265	-	56,469	74,734
Transfers to individuals and agencies	-	-	-	-	-	-	4,000	4,000
Other expenditures	748	-	-	-	-	-	-	748
	116,770	20,936	58,966	156,959	6,265	-	63,996	423,892
NET REVENUE, BEFORE AMORTIZATION	146,887	(18,215)	(56,366)	(30,916)	(1,253)	-	(30,364)	9,773
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	5,823	-	44,410	38,866	-	-	56,268	145,367
NET REVENUE	141,064	(18,215)	(100,776)	(69,782)	(1,253)	-	(86,632)	(135,594)

VILLAGE OF YOUNGSTOWN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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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.

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.

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.

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

	2022	2021
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	**289,781**	492,815
Other deferred revenue	**-**	1,253
	289,781	494,068
Deposits held	**1,740**	1,740
Total restricted cash and term deposits	**291,521**	495,808

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2022	2021
Current taxes and grants in place of taxes	**7,354**	6,993
Arrears taxes	**10,980**	9,576
Property held by the village as a result of tax forfeiture	**-**	2,260
	18,334	18,829

4. DEFERRED INCOME

Deferred income consists of the following:	**2022**	2021
Municipal Sustainability Initiative - capital	**490,601**	635,695
Other deferred revenue	**-**	1,253
	490,601	636,948

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:

	2022	2021
Total debt limit	**650,498**	714,357
Total debt	**-**	-
Surplus debt limit	**650,498**	714,357
Debt servicing limit	**108,416**	119,060
Debt servicing	**-**	-
Surplus debt servicing	**108,416**	119,060

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.

6. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible capital assets (Schedule 2)	**7,134,189**	6,868,108
Accumulated amortization (Schedule 2)	**(4,087,349)**	(3,941,982)
	3,046,840	2,926,126

7. ACCUMULATED SURPLUS

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

	2022	2021
Unrestricted surplus	**547,759**	541,665
Restricted surplus		
Recreation	**89,773**	99,141
Equity in tangible capital assets	**3,046,840**	2,926,126
	3,684,372	3,566,932

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)

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:

	2022			2021
	Salary	Benefits & Allowances	Total	Total
Blagen	**5,400**	**-**	**5,400**	6,800
Johnson	**4,750**	**143**	**4,893**	5,150
Laughlin	**8,550**	**576**	**9,126**	11,050
CAO	**38,083**	**5,400**	**43,483**	38,820
Designated Officer (1)	**6,950**	**-**	**6,950**	7,121

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.

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 281,754 people and 435 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 12.80% 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 11.80% on pensionable salary above this amount.

Total current service contributions by the village to the LAPP during the year were $3,722. Total current service contributions by the employees of the village to the Local Authorities Pension Plan during the year were $3,282.

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