

TOWN OF MILLET
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

TOWN OF MILLET

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Town of Millet

Option

We have audited Consolidated Financial Statements of the **Town of Millet**, which comprise the statement of financial position as at December 31, 2020 and the results of its operations, change in its net financial assets and cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements present fairly in all material respects, the financial position of the Town of Millet as at December 31, 2020, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 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 relating 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 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 financial statements.

INDEPENDENT AUDITORS' REPORT - 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 financial information return, 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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.
- Evaluate the overall presentation, structure and content of the financial information return, and whether the financial information return 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.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

Auditor's Responsibility for the Consolidated Financial Statements

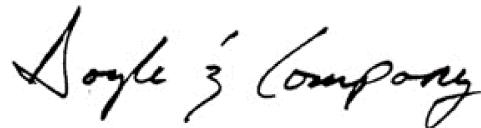
Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality in compliance with the Debt Limit Regulation, a detailed account of the Entity's debt limit can be found in Note 12

Supplementary Accounting Principles and Standard Regulations

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standard Regulations and note the information required can be found in Note 13.

Edmonton, Alberta
April 28, 2021



Chartered Professional Accountants

TOWN OF MILLET
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	3,356,318	3,704,558
Accounts receivable:		
Taxes receivable (Note 3)	396,337	319,174
Trade and other receivables (Note 4)	1,847,131	1,219,671
	5,599,786	5,243,403
LIABILITIES		
Accounts payable and accrued liabilities	548,071	269,687
Deposit liabilities	17,231	15,519
Deferred revenue (Note 5)	1,518,483	1,981,483
Long-term debt (Note 6)	401,986	441,384
	2,485,771	2,708,073
NET FINANCIAL ASSETS	3,114,015	2,535,330
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2/Note 7)	15,521,062	15,028,637
Inventory for consumption	1,310	2,016
Prepaid expenses	84,831	72,575
Deferred costs (Note 8)	26,919	3,682
Other non-financial assets	2,374	3,410
	15,636,496	15,110,320
ACCUMULATED SURPLUS (NOTE 11)	18,750,511	17,645,650

Approved by Council Resolution:

_____ Mayor

_____ Chief Administrative Officer

TOWN OF MILLET
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
REVENUES			
Net taxes available for municipal purposes (Sch. 3)	1,869,692	1,851,633	1,822,293
Sales, user charges and costs recovered:			
General administration and other	11,650	10,407	33,005
Fire and protective services	120,400	103,781	82,193
Water services	463,000	484,234	453,263
Wastewater services	252,000	248,667	247,767
Waste management	273,702	277,674	316,668
Community services	4,500	3,508	5,667
Planning and development	58,500	6,625	55,211
Recreation, parks and culture	9,200	6,446	10,249
Penalties and costs on taxes	101,000	85,519	93,360
Licenses, permits and fines	43,800	41,389	42,982
Franchise and concession contracts	274,400	271,203	273,760
Returns on investments	16,000	46,052	79,571
Rentals	185,600	99,431	149,303
Gain (loss) on sale of tangible capital assets	-	10,800	(2,400)
Federal government transfers (Schedule 4)	-	8,400	-
Provincial governments transfers (Schedule 4)	131,834	338,404	130,748
Local government transfers	87,000	96,402	88,845
TOTAL REVENUE	3,902,278	3,990,575	3,882,485
EXPENSES			
Legislative	117,020	98,391	106,541
Administrative	672,100	743,032	796,567
Fire, police, bylaws enforcement and disaster services	439,008	426,555	350,917
Roads, streets, walks, lighting and storm sewers	363,598	558,886	667,121
Water and wastewater	700,671	812,475	861,691
Waste management	242,953	240,629	220,349
Community services	78,900	141,169	138,241
Planning and development	366,116	286,822	637,327
Recreation, parks and culture	687,024	615,871	782,336
TOTAL EXPENSES	3,667,390	3,923,830	4,561,090
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE OTHER	234,888	66,745	(678,605)
OTHER			
Government transfers for capital (Schedule 4)	1,926,000	1,038,116	424,907
(DEFICIENCY) OF REVENUE OVER EXPENSES	2,160,888	1,104,861	(253,698)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		17,645,650	17,899,348
ACCUMULATED SURPLUS, END OF YEAR		18,750,511	17,645,650

The accompanying notes from part of the financial statements.

TOWN OF MILLET

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
(DEFICIENCY) OF REVENUES OVER EXPENSES	2,160,888	1,104,861	(253,698)
Acquisition of tangible capital assets	(1,926,000)	(1,108,680)	(733,839)
Adjustment to tangible capital assets	-	-	7,419
Proceeds on disposal of tangible capital assets	-	13,650	-
Amortization of tangible capital assets	-	613,405	595,611
(Gain) Loss on sale of tangible capital assets	-	(10,800)	2,400
	(1,926,000)	(492,425)	(128,409)
(Acquisition) use of prepaid assets	-	(12,256)	(4,910)
(Acquisition) use of deferred costs	-	(23,237)	147
(Acquisition) use of supplies inventories	-	706	23,185
(Acquisition) use of other assets	-	1,036	-
	-	(33,751)	18,422
INCREASE (DECREASE) IN NET ASSETS	234,888	578,685	(363,685)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,535,330	2,899,015
NET FINANCIAL ASSETS, END OF YEAR		3,114,015	2,535,330

The accompanying notes from part of the financial statements.

TOWN OF MILLET
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Amount received from residents, customers and other governments	4,507,151	4,386,330
Amount paid to vendors, suppliers and other governments	(2,255,385)	(2,410,228)
Amount paid to employees	(1,494,971)	(1,572,320)
Interest received	46,052	79,571
Interest paid on long-term debt	(16,659)	(18,916)
	786,188	464,437
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,108,680)	(733,839)
Proceeds on sale of tangible capital assets	13,650	500
	(1,095,030)	(733,339)
FINANCING ACTIVITIES		
Repayment of long-term debt	(39,398)	(42,983)
NET CHANGE TO CASH	(348,240)	(311,885)
CASH - BEGINNING OF YEAR	3,704,558	4,016,443
CASH - END OF YEAR	3,356,318	3,704,558

The accompanying notes from part of the financial statements.

TOWN OF MILLET

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS - SCHEDULE 1 FOR THE YEAR ENDED DECEMBER 31, 2020

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2020 \$	2019 \$
Balance, Beginning of year	-	3,058,397	14,587,253	17,645,650	17,899,348
(Deficiency) of revenue over expenses	1,104,861	-	-	1,104,861	(253,698)
Unrestricted funds designated for future use	(327,192)	327,192	-	-	-
Restricted funds for current use	70,565	(70,565)	-	-	-
Current years funds used for tangible capital assets	(1,108,680)	-	1,108,680	-	-
Disposal of tangible capital assets	2,850	-	(2,850)	-	-
Annual amortization expenses	613,405	-	(613,405)	-	-
Long-term liabilities repaid	(39,398)	-	39,398	-	-
Change in accumulated surplus	316,411	256,627	531,823	1,104,861	(253,698)
Balance, End of Year	316,411	3,315,024	15,119,076	18,750,511	17,645,650

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2020

	Land & Land Improvements	Buildings	Engineering Structures	Machinery and Equipment	Vehicles	2020 \$	2019 \$
COST:							
Balance, Beginning of Year	2,629,134	2,856,531	20,285,893	1,858,116	608,250	28,237,924	27,517,504
Acquisition of tangible capital assets	67,538	827,356	171,898	41,888	-	1,108,680	733,839
Adjustment to tangible capital assets	-	-	-	-	-	-	(7,419)
Disposals	-	-	-	(3,000)	-	(3,000)	(6,000)
Balance, End of Year	2,696,672	3,683,887	20,457,791	1,897,004	608,250	29,343,604	28,237,924
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	810,835	1,808,321	8,989,725	1,146,428	453,978	13,209,287	12,617,276
Annual amortization	33,999	54,565	410,489	32,763	81,589	613,405	595,611
Accumulated amortization on disposals	-	-	-	(150)	-	(150)	(3,600)
Balance, End of Year	844,834	1,862,886	9,400,214	1,179,041	535,567	13,822,542	13,209,287
NET BOOK VALUE	1,851,838	1,821,001	11,057,577	717,963	72,683	15,521,062	15,028,637

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF PROPERTY TAXES - SCHEDULE 3
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
TAXATION			
Real property taxes - residential	2,011,988	2,020,927	2,024,398
- non-residential	437,314	409,659	385,568
Linear property taxes	65,416	65,416	57,877
Provincial and Federal grants in lieu of property taxes	1,714	1,714	2,285
	2,516,432	2,497,716	2,470,128
REQUISITIONS			
Alberta School Foundation Fund	602,991	602,334	604,163
Seniors' Homes & Community Housing Foundation	43,487	43,487	43,400
Designated Industrial	262	262	272
	646,740	646,083	647,835
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	1,869,692	1,851,633	1,822,293

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget (Unaudited)	2020	2019
	\$	\$	\$
TRANSFER FOR OPERATING			
Provincial Government	131,834	338,404	130,748
Federal Government	-	8,400	-
TRANSFERS FOR CAPITAL			
Provincial Government	1,926,000	1,038,116	424,907
TOTAL GOVERNMENT TRANSFER	2,057,834	1,384,920	555,655

The accompanying notes from part of the financial statements.

TOWN OF MILLET

STATEMENT OF CONSOLIDATED EXPENSES BY OBJECT - SCHEDULE 5

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
EXPENSES			
Salaries, wages and benefits	1,621,470	1,515,246	1,572,320
Contracted and general services	875,068	819,967	829,518
Materials, goods, supplies and utilities	986,652	783,100	1,002,254
Provision for allowances	3,000	14,010	403,079
Transfers to local boards, individuals & organizations	159,539	157,502	135,073
Bank charges and short-term interest	5,000	3,941	4,319
Interest on long-term debt	16,661	16,659	18,916
Amortization	-	613,405	595,611
TOTAL EXPENSES	3,667,390	3,923,830	4,561,090

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6
FOR THE YEAR ENDED DECEMBER 31, 2020

	Administrative & Legislative Services \$	Protective Services \$	Transportation Services \$	Water & Sewer Services \$	Waste Management Services \$	Planning & Development Services \$
REVENUE						
Net municipal taxes	1,851,633	-	-	-	-	-
Government transfer	79,095	-	-	-	-	201,949
Local government transfers	-	-	-	-	-	-
Investment income	46,011	-	-	-	-	-
Sales and user fees	382,855	112,204	29,923	736,486	277,674	22,311
Other revenue	-	-	10,800	-	-	-
	2,359,594	112,204	40,723	736,486	277,674	224,260
Government transfers for capital	820,732	-	152,388	-	-	-
	3,180,326	112,204	193,111	736,486	277,674	224,260
EXPENSES						
Salaries, wages and benefits	439,957	270,302	92,451	223,142	22,835	139,693
Contract and general services	314,096	83,423	12,538	52,433	208,190	21,864
Materials, goods and utilities	61,984	43,897	175,875	342,712	3,850	29,055
Provision for allowances	14,010	-	-	-	-	-
Transfers to local boards and agencies	-	-	-	-	5,754	96,210
Bank charges and short term interest	3,941	-	-	-	-	-
Interest on long-term liabilities	-	717	327	6,142	-	-
	833,988	398,339	281,191	624,429	240,629	286,822
NET REVENUE BEFORE AMORTIZATION	2,346,338	(286,135)	(88,080)	112,057	37,045	(62,562)
Amortization expense	7,435	28,216	277,695	112,012	-	-
NET REVENUE	2,338,903	(314,351)	(365,775)	45	37,045	(62,562)

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6
FOR THE YEAR ENDED DECEMBER 31, 2020

	Community Services	Parks & Recreation Services	2020	2019
	\$	\$	\$	\$
REVENUE				
Net municipal taxes	-	-	1,851,633	1,822,293
Government transfers	57,360	8,400	346,804	130,748
Local government transfers	1,600	94,802	96,402	88,845
Investment income	41	-	46,052	79,571
Sales and user fees	7,527	69,904	1,638,884	1,763,428
Other revenue (loss)	-	-	10,800	(2,400)
	66,528	173,106	3,990,575	3,882,485
Government transfers for capital	-	64,996	1,038,116	424,907
	66,528	238,102	5,028,691	4,307,392
EXPENSES				
Salaries, wages and benefits	35,169	291,697	1,515,246	1,572,320
Contract and general services	48,924	78,499	819,967	829,518
Materials, goods and utilities	1,538	124,189	783,100	1,002,254
Provision for allowances	-	-	14,010	403,079
Transfers to local boards and agencies	55,538	-	157,502	135,073
Bank charges and interest	-	-	3,941	4,319
Interest on long-term liabilities	-	9,473	16,659	18,916
	141,169	503,858	3,310,425	3,965,479
NET REVENUE BEFORE AMORTIZATION				
	(74,641)	(265,756)	1,718,266	341,913
Amortization expense	-	188,047	613,405	595,611
NET REVENUE	(74,641)	(453,803)	1,104,861	(253,698)

The accompanying notes from part of the financial statements.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Millet are the representations of management prepared in accordance with Public Sector Accounting Standards 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 town are as follows:

a) Reporting Entity

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

The schedule of property 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.

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 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.

c) Use of Estimates

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES Continued

d) Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

e) 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 edibility criteria have been met, and reasonable estimates of the amounts can be determined.

f) Taxes Receivable

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.

g) Inventories

Inventories of consumable supplies are valued at cost.

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 waste water services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

h) 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 revenue over expenditures, provides the consolidated Change in Net Financial Assets (Debt) for the year.

i) Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as prepaid local improvements recognized into revenue on a straight line basis over the remaining term of the related borrowing.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES Continued

j) 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:

i) Amortization

	Years
Land Improvements	20
Buildings	50
Engineering Structures	
Roads	25
Curbs, Gutters, Signs, Sidewalks	30
Storm Sewer	75
Water Systems	45 - 75
Sewer Systems	45 - 75
Machinery, Equipment and Furniture	5 - 20
Vehicles	10 - 25

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.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental of 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.

k) Deferred revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES Continued

l) 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.

m) Reserves for Future Expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. The reserve funds are reflected as a component of the accumulated surplus of the municipality.

n) Equity in Tangible Capital Assets

Equity in tangible capital assets represents the net investment in total tangible capital assets after deducting the portion financed by third parties. The equity in tangible capital assets is reflected as a component of the accumulated surplus of the municipality.

o) 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.

2. CASH AND TEMPORARY INVESTMENTS

	2020	2019
	\$	\$
ATB Chequing (Cheques written in excess of bank balance)	422,419	(440,027)
Term deposits	2,933,649	4,144,385
Cash	250	200
	3,356,318	3,704,558

Term deposits consist of several individual ATB Financial deposits that can be withdrawn at any time. Interest earned on the term deposits is 0.9% - 2.5%.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

3. TAXES RECEIVABLE	2020	2019
	\$	\$
Current:		
Current taxes	206,597	187,611
Non-current:		
Tax arrears	189,740	131,563
	396,337	319,174
4. ACCOUNTS RECEIVABLE	2020	2019
	\$	\$
Alberta Municipal Affairs	1,482,090	895,480
General Municipal Services	270,787	229,960
Other	94,254	94,231
	1,847,131	1,219,671
5. DEFERRED REVENUE	2020	2019
	\$	\$
Alberta Municipal Affairs - MSI Capital Grant	926,141	1,393,700
- Gas Tax	345,110	329,058
Alberta Community Partnership	-	7,228
General Municipal Services	31,949	36,214
Water and Sewer Levies	215,283	215,283
	1,518,483	1,981,483

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

6. LONG-TERM DEBT

	2020	2019
	\$	\$
Long-term debt consists of the following:		
Tax supported debentures	-	17,055
Self-supported debentures	401,986	424,329
	401,986	441,384

Interest paid on long-term debt for the year amounted to \$16,659.

Future minimum principal repayments required to meet existing obligations are as follows:

	Principal	Interest	Total
	\$	\$	\$
2021	23,300	14,658	37,958
2022	24,300	13,658	37,958
2023	25,344	12,614	37,958
2024	26,434	11,524	37,958
2025	27,573	10,385	37,958
Thereafter	275,035	75,459	350,494
	401,986	138,298	540,284

Debenture debt, repayable to Government of Alberta, bears interest at rates ranging from 3.23% to 4.89% per annum. Debenture debt is issued on the credit and security of the Town of Millet at large.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

7. TANGIBLE CAPITAL ASSETS

Net book value of tangible capital assets is as follows:

	2020	2019
	\$	\$
Land and Land Improvements		
Land	1,385,979	1,385,979
Land Improvements	465,860	432,320
	1,851,839	1,818,299
Buildings	1,821,001	1,048,210
Engineering Structures:		
Roads	3,385,994	3,419,355
Curbs, Gutters, Signs, Sidewalks	277,753	294,937
Storm Sewer	819,402	834,071
Water Systems	2,304,550	2,374,737
Sewer Systems	4,269,878	4,373,068
	11,057,577	11,296,168
Machinery Equipment and Furniture	669,138	711,688
Vehicles	121,507	154,272
	15,521,062	15,028,637

8. DEFERRED COSTS

	2020	2019
	\$	\$
Prepaid administration costs	26,919	3,682

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

9. EQUITY IN CAPITAL ASSETS

	2020	2019
	\$	\$
Capital assets (Schedule 2)	29,343,604	28,237,924
Accumulated amortization (Schedule 2)	(13,822,542)	(13,209,287)
Long term debt (Note 6)	(401,986)	(441,384)
	15,119,076	14,587,253

10. TRUST FUNDS

The Town of Millet holds the following funds in trust:

	2020	2019
	\$	\$
Cemetery Perpetual Care Reserve		
Balance - beginning of year	10,326	9,421
Transactions during the year	1,040	905
Balance - end of year	11,366	10,326

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

11. ACCUMULATED SURPLUS

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

	2020	2019
	\$	\$
Unrestricted surplus	316,411	-
Restricted surplus:		
Operating reserves		
General Operating	19,033	-
Crime Reward Reserve	2,000	2,000
Transportation Reserve	1,429	1,429
Utility/Insurable Reserve	319,514	190,144
Cemetery Maintenance Reserve	2,751	2,710
Provincial Policing Reserve	34,863	-
Solid Waste	37,044	-
	416,634	196,283
Capital reserves		
General	1,660,699	1,712,463
Street Improvement Program	4,127	4,127
Tennis Court	1,558	1,558
Capital Equipment Replacement	914,315	826,275
Major Facility	124,978	124,978
Agridplex	103,836	103,836
WDML Closure Reserve	87,596	87,596
Other	1,281	1,281
	2,898,390	2,862,114
Total restricted surplus	3,315,024	3,058,397
Equity in tangible capital assets (Note 9)	15,119,076	14,587,253
	18,750,511	17,645,650

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

12. 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 Town of Millet be disclosed as follow:

	2020	2019
	\$	\$
Total Debt Limit	5,985,863	5,823,728
Total Debt (Note 6)	401,986	441,384
Debt Limit Available	5,583,877	5,382,344
Debt Service Limit	997,644	970,621
Debt Service	37,958	56,057
Debt Service Limit Available	959,686	914,564

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.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

13. SALARY AND BENEFITS DISCLOSURE

	2020			2019	
	# of months	Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
Mayor - Anthony Wadsworth	12	15,395	-	15,395	15,555
Councilors:					
Patricia Garrett	12	12,407	38	12,445	12,438
Victoria Pyle	12	12,304	38	12,342	12,644
Doug Peel	12	12,306	41	12,347	13,381
Carol Sadoroszney	12	12,506	-	12,506	12,400
Mike Storey	12	12,657	-	12,657	12,405
Robin Brooks	12	12,254	-	12,254	13,500
Chief Administrative Officer:					
Teri-Ann Pelletier	-	-	-	-	131,341
Lisa Schoening	12	127,459	24,231	151,690	66,654
Designated Officer:					
Designated Officer (1)	12	76,153	19,628	95,781	89,553

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, severance pay, 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 contributions to the pension plan, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships, tuition and travel.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

14. MEMBERSHIP IN WEST DRIED MEAT LAKE REGIONAL SOLID WASTE AUTHORITY

The Town of Millet acquired a non-controlling interest in West Dried Meat Lake Regional Solid Waste Authority July 2, 1996. The purpose of the Authority is to administer and maintain a solid waste landfill. The non-controlling interest entitles the Town to one vote in the operations of the Authority and the requirement to pay an annual requisition to deliver solid waste. There are currently five members, including the Town of Millet. In the case of dissolution, members are entitled to 20% of the remaining net assets of the Authority. The remaining net assets would be determined after settling all remaining environmental liability. The membership agreement had no expiry date.

The estimated value of the Town of Millet's interest in the Authority is \$4 million.

15. CONTINGENCIES

During 2012 the Town of Millet expropriated land for the development of a municipal campground. As a result, an application for Determination of Compensation has been made to the Land Compensation Board seeking additional market value compensation and damages in the amount of \$2,700,000. The likelihood and amount of loss is undeterminable at this time and therefore a provision for loss has not been recorded in the records of the town.

A statement of claim was filed against the town and others claiming compensation for alleged acts of negligence arising from an expropriation in 1985. Total value of damages and compensation claimed is \$8,350,000. The likelihood and amount of loss, if any, is undeterminable at this time and therefore a provision for loss has not been recorded in the records of the town.

As a member of the West Dried Meat Lake Regional Solid Waste Authority, the Town of Millet is potentially liable if the Authority is unable to meet its obligations.

The Alberta Environmental Protection and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites.

The landfill closure liability recorded at December 31, 2020 by the Authority is \$2,943,149 (2019 - \$2,696,573) and represents the Authority's estimate of the present value of the closure and post-closure costs. Closure will involve covering the site with topsoil, vegetation, and the installation of groundwater monitoring wells. Post-closure care activities are expected to occur for twenty-five years, and will involve surface and ground water monitoring, and landfill cover maintenance.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

16. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, deposit liabilities, deferred revenue and long-term debt. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values

The Town of Millet 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 of Millet 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.

17. BUDGET FIGURES

The 2020 budget figures which appear in these financial statements have been approved by council.

18. RECONCILIATION OF OPERATING RESULTS TO BUDGETING SYSTEM

For the year ended December 31, 2020 the Town did not include amortization in the preparation of its budget. As a result of this, the reconciliation below has been provided for information purposes only to provide users with supplementary comparative information. It should not be used as a replacement for the information provided on the statement of operations.

	2020 Budget (Unaudited)	2020 Actual	2019 Actual
	\$	\$	\$
Excess of revenue over expenditures before other	234,888	66,745	(678,605)
Add:			
Amortization	-	613,405	595,611
Results of operations - previous method	234,888	680,150	(82,994)

19. LEASE COMMITMENTS

The Town of Millet leases a photocopier with Ricoh which expires May 2022, the total remaining commitment under this lease is \$6,103.

The Town of Millet leases two vehicles with Enterprise Fleet Management expiring June 2024, the annual lease payments are \$17,803 and the total remaining commitment under these leases is \$66,761.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

20. CONTAMINATED SITES LIABILITY

On January 1, 2016, the Town adopted PS3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis and did not result in any adjustments to the financial liabilities, tangible capital assets or accumulated surplus of the town.

The Town did not identify and financial liabilities in 2020 (2019 - \$0) as a result of this standard.

21. SUBSEQUENT EVENTS

On March 9, 2021 the Town of Millet was approved for a debenture in the amount of \$1,300,000 with the Government of Alberta at 2.332% per Bylaw #2020-23.

22. SIGNIFICANT EVENTS

During 2020 and subsequent to the date of the financial statements, there is a global outbreak of Covid-19 which has had a significant impact on the Town through the restrictions put in place by the Canadian and provincial governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Covid 19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries to fight the virus.

23. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial