

TOWN OF MILLET
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

TOWN OF MILLET

DECEMBER 31, 2021

CONTENTS

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Schedule 1 - Schedule of Changes in Accumulated Surplus	8
Schedule 2 - Schedule of Tangible Capital Assets	9
Schedule 3 - Schedule of Property Taxes	10
Schedule 4 - Schedule of Government Transfers	11
Schedule 5 - Schedule of Expenses by Object	12
Schedule 6 - Schedule of Segmented Disclosure	13 - 14
Notes to Financial Statements	15 - 27

TOWN OF MILLET
DECEMBER 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Millet is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the town's financial position as at December 31, 2021 and the results of its operation for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Town Council carries out its responsibilities for review of the financial statements principally through its regular meetings of Council. Council meets regularly with management and with external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Town Council has approved the financial statements.

The financial statements have been audited by Doyle & Company, Chartered Professional Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outline their responsibilities, the scope of their examination and their opinions on the Town's financial statements.



Chief Administrative Officer

Date:

Town of Millet

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
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INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Town of Millet

Opinion

We have audited Financial Statements of the **Town of Millet**, which comprise the statement of financial position as at December 31, 2021 and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes and schedules to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly in all material respects, the financial position of the Town of Millet as at December 31, 2021, 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 town 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 town'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 town's financial reporting process.

Auditor's Responsibility for the Financial Statements

Our 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 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 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 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 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 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 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.

Report on Other Legal and Regulatory Requirements

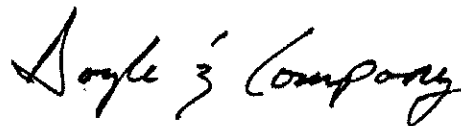
Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality in compliance with the Debt Limit Regulation, a detailed account of the Town'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 27, 2022



Chartered Professional Accountants

TOWN OF MILLET
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	2,259,439	3,356,318
Accounts receivable:		
Taxes receivable (Note 3)	186,520	396,337
Trade and other receivables (Note 4)	1,158,742	1,847,131
	3,604,701	5,599,786
LIABILITIES		
Accounts payable and accrued liabilities	953,453	548,071
Deposit liabilities	11,164	17,231
Deferred revenue (Note 5)	348,690	1,518,483
Long-term debt (Note 6)	1,642,241	401,986
	2,955,548	2,485,771
NET FINANCIAL ASSETS	649,153	3,114,015
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2/Note 7)	19,628,418	15,521,062
Inventory for consumption	1,007	1,310
Prepaid expenses	131,594	84,831
Deferred costs (Note 8)	14,555	26,919
Other non-financial assets	2,374	2,374
	19,777,948	15,636,496
ACCUMULATED SURPLUS (NOTE 11)	20,427,101	18,750,511

Approved by Council Resolution:


 _____ Mayor


 _____ Chief Administrative Officer

The accompanying notes from part of the financial statements.

TOWN OF MILLET
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
REVENUES			
Net taxes available for municipal purposes (Sch. 3)	1,869,692	1,867,113	1,851,633
Sales, user charges and costs recovered:			
General administration and other	17,032	19,952	10,407
Fire and protective services	120,700	123,232	103,781
Water services	484,000	529,309	484,234
Wastewater services	273,000	275,321	248,667
Waste management	280,400	307,919	277,674
Community services	6,500	5,613	3,508
Planning and development	6,000	3,517	6,625
Recreation, parks and culture	8,600	9,109	6,446
Penalties and costs on taxes	94,000	95,271	85,519
Licenses, permits and fines	40,750	41,441	41,389
Franchise and concession contracts	284,400	283,501	271,203
Returns on investments	4,000	31,021	46,052
Rentals	163,250	102,606	99,431
Donations	-	60,509	-
Gain (loss) on sale of tangible capital assets	-	102,707	10,800
Federal government transfers (Schedule 4)	8,400	11,025	8,400
Provincial governments transfers (Schedule 4)	129,560	131,839	338,404
Local government transfers	171,000	187,739	96,402
TOTAL REVENUE	3,961,284	4,188,744	3,990,575
EXPENSES			
Legislative	120,249	108,403	98,391
Administrative	800,830	973,580	743,032
Fire, police, bylaw enforcement and disaster services	454,065	434,542	426,555
Roads, streets, walks, lighting and storm sewers	576,177	606,132	558,886
Water and wastewater	932,295	812,787	812,475
Waste management	251,244	253,805	240,629
Community services	167,563	179,464	141,169
Planning and development	360,486	497,760	286,822
Recreation, parks and culture	702,586	1,231,643	615,871
TOTAL EXPENSES	4,365,495	5,098,116	3,923,830
(DEFICIENCY) EXCESS OF REVENUE OVER			
EXPENSES - BEFORE OTHER	(404,211)	(909,372)	66,745
OTHER			
Government transfers for capital (Schedule 4)	2,813,698	2,585,962	1,038,116
EXCESS OF REVENUE OVER EXPENSES	2,409,487	1,676,590	1,104,861
ACCUMULATED SURPLUS, BEGINNING			
OF YEAR		18,750,511	17,645,650
ACCUMULATED SURPLUS, END OF YEAR		20,427,101	18,750,511

The accompanying notes from part of the financial statements.

TOWN OF MILLET
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
EXCESS OF REVENUES OVER EXPENSES	2,409,487	1,676,590	1,104,861
Acquisition of tangible capital assets	(5,298,800)	(5,200,071)	(1,108,680)
Adjustment to tangible capital assets	-	96,901	-
Proceeds on disposal of tangible capital assets	-	282,663	13,650
Amortization of tangible capital assets	-	815,858	613,405
(Gain) Loss on sale of tangible capital assets	-	(102,707)	(10,800)
	(5,298,800)	(4,107,356)	(492,425)
(Acquisition) use of prepaid assets	-	(46,763)	(12,256)
(Acquisition) use of deferred costs	-	12,364	(23,237)
(Acquisition) use of supplies inventories	-	303	706
(Acquisition) use of other assets	-	-	1,036
	-	(34,096)	(33,751)
INCREASE (DECREASE) IN NET ASSETS	(2,889,313)	(2,464,862)	578,685
NET FINANCIAL ASSETS, BEGINNING OF YEAR		3,114,015	2,535,330
NET FINANCIAL ASSETS, END OF YEAR		649,153	3,114,015

The accompanying notes from part of the financial statements.

TOWN OF MILLET
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Amount received from residents, customers and other governments	6,503,119	4,507,151
Amount paid to vendors, suppliers and other governments	(2,328,473)	(2,255,385)
Amount paid to employees	(1,595,578)	(1,494,971)
Interest received	31,021	46,052
Interest paid on long-term debt	(29,816)	(16,659)
	2,580,273	786,188
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,200,071)	(1,108,680)
Proceeds on sale of tangible capital assets	282,663	13,650
	(4,917,408)	(1,095,030)
FINANCING ACTIVITIES		
Repayment of long-term debt	(59,745)	(39,398)
Debenture advance received	1,300,000	-
	1,240,255	(39,398)
NET CHANGE TO CASH	(1,096,880)	(348,240)
CASH - BEGINNING OF YEAR	3,356,318	3,704,558
CASH - END OF YEAR	2,259,438	3,356,318

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, 2021

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021 \$	2020 \$
Balance, Beginning of year	316,411	3,315,024	15,119,076	18,750,511	17,645,650
Excess of revenue over expenses	1,676,590	-	-	1,676,590	1,104,861
Unrestricted funds designated for future use	(267,432)	267,432	-	-	-
Restricted funds for current use	1,271,106	(1,271,106)	-	-	-
Current years funds used for tangible capital assets	(5,200,071)	-	5,200,071	-	-
Disposal of tangible capital assets	276,857	-	(276,857)	-	-
Annual amortization expenses	815,858	-	(815,858)	-	-
Debtenture advance received	1,300,000	-	(1,300,000)	-	-
Long-term liabilities repaid	(59,745)	-	59,745	-	-
Change in accumulated surplus	(186,837)	(1,003,674)	2,867,101	1,676,590	1,104,861
Balance, End of Year	129,574	2,311,350	17,986,177	20,427,101	18,750,511

The accompanying notes form part of the financial statements.

TOWN OF MILLET
SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2021

	Land & Land Improvements	Buildings	Engineering Structures	Machinery and Equipment	Vehicles	2021 \$	2020 \$
COST:							
Balance, Beginning of Year	2,696,672	3,683,887	20,457,791	1,897,004	608,250	29,343,604	28,237,924
Acquisition of tangible capital assets	6,088	3,352,220	1,248,318	593,445	-	5,200,071	1,108,680
Adjustment to tangible capital assets	(96,901)	-	-	-	-	(96,901)	-
Disposals	-	(90,000)	-	(503,487)	(173,423)	(766,910)	(3,000)
Balance, End of Year	2,605,859	6,946,107	21,706,109	1,986,962	434,827	33,679,864	29,343,604
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	844,834	1,862,886	9,400,215	1,227,866	486,741	13,822,542	13,209,287
Annual amortization	33,709	192,422	459,815	104,159	25,753	815,858	613,405
Accumulated amortization on disposals	-	(64,800)	-	(359,920)	(162,234)	(586,954)	(150)
Balance, End of Year	878,543	1,990,508	9,860,030	972,105	350,260	14,051,446	13,822,542
NET BOOK VALUE	1,727,316	4,955,599	11,846,079	1,014,857	84,567	19,628,418	15,521,062

The accompanying notes form part of the financial statements.

TOWN OF MILLET
SCHEDULE OF PROPERTY TAXES - SCHEDULE 3
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
TAXATION			
Real property taxes - residential	2,138,430	2,128,897	2,020,927
- non-residential	373,953	318,215	409,659
Linear property taxes	1,073	53,730	65,416
Provincial and Federal grants in lieu of property taxes	2,600	1,945	1,714
	2,516,056	2,502,787	2,497,716
REQUISITIONS			
Alberta School Foundation Fund	602,596	592,580	602,334
Seniors' Homes & Community Housing Foundation	43,487	42,825	43,487
Designated Industrial	281	269	262
	646,364	635,674	646,083
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES	1,869,692	1,867,113	1,851,633

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited) \$	2021 \$	2020 \$
TRANSFER FOR OPERATING			
Provincial Government	129,560	131,839	338,404
Federal Government	-	11,025	8,400
	129,560	142,864	346,804
TRANSFERS FOR CAPITAL			
Provincial Government	2,813,698	2,293,962	1,038,116
Federal Government	-	292,000	-
	2,813,698	2,585,962	1,038,116
TOTAL GOVERNMENT TRANSFER	2,943,258	2,728,826	1,384,920

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, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
EXPENSES			
Salaries, wages and benefits	1,661,882	1,618,756	1,515,246
Contracted and general services	787,364	965,292	819,967
Materials, goods, supplies and utilities	913,953	835,300	783,100
Provision for allowances	15,500	33,810	14,010
Legal settlement	-	414,000	-
Transfers to local boards, individuals & organizations	333,705	380,820	157,502
Bank charges and short-term interest	12,683	4,465	3,941
Interest on long-term debt	25,658	29,816	16,659
Amortization	614,750	815,858	613,405
TOTAL EXPENSES	4,365,495	5,098,117	3,923,830

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	Administrative & Legislative Services \$	Protective Services \$	Transportation Services \$	Water & Sewer Services \$	Waste Management Services \$	Planning & Development Services \$
REVENUE						
Net municipal taxes	1,867,113	-	-	-	-	-
Government transfer	74,479	-	-	-	-	-
Local government transfers	-	-	-	-	-	-
Investment income	31,021	-	-	-	-	-
Sales and user fees	410,619	130,423	30,120	810,735	307,919	16,194
Other revenue	-	-	28,101	-	-	-
	2,383,232	130,423	58,221	810,735	307,919	16,194
Government transfers for capital	405,010	-	714,609	-	-	-
	2,788,242	130,423	772,830	810,735	307,919	16,194
EXPENSES						
Salaries, wages and benefits	488,840	303,931	62,909	197,993	24,019	154,041
Contract and general services	372,850	67,043	14,177	46,437	220,098	28,851
Materials, goods and utilities	57,536	35,485	205,061	373,390	3,900	20,434
Provision for allowances	33,810	-	-	-	-	-
Transfers to local boards and agencies	-	500	-	-	5,789	294,433
Bank charges and short term interest	4,465	-	-	-	-	-
Interest on long-term liabilities	15,158	-	-	5,471	-	-
	972,659	406,959	282,147	623,291	253,806	497,759
NET REVENUE BEFORE AMORTIZATION	1,815,583	(276,536)	490,683	187,444	54,113	(481,565)
Amortization expense	109,324	27,583	323,985	189,495	-	-
NET REVENUE	1,706,259	(304,119)	166,698	(2,051)	54,113	(481,565)

The accompanying notes form part of the financial statements.

TOWN OF MILLET
SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6
FOR THE YEAR ENDED DECEMBER 31, 2021

	Community Services \$	Parks & Recreation Services \$	2021 \$	2020 \$
REVENUE				
Net municipal taxes	-	-	1,867,113	1,851,633
Government transfers	57,360	11,025	142,864	346,804
Local government transfers	1,600	185,639	187,239	96,402
Investment income	-	-	31,021	46,052
Sales and user fees	14,224	137,566	1,857,800	1,638,884
Other revenue (loss)	66,463	8,143	102,707	10,800
	139,647	342,373	4,188,744	3,990,575
Government transfers for capital	-	1,466,343	2,585,962	1,038,116
	139,647	1,808,716	6,774,706	5,028,691
EXPENSES				
Salaries, wages and benefits	25,926	361,097	1,618,756	1,515,246
Contract and general services	70,769	145,067	965,292	819,967
Materials, goods and utilities	2,673	136,821	835,300	783,100
Legal settlement	-	414,000	414,000	-
Provision for allowances	-	-	33,810	14,010
Transfers to local boards and agencies	80,098	-	380,820	157,502
Bank charges and interest	-	-	4,465	3,941
Interest on long-term liabilities	-	9,187	29,816	16,659
	179,466	652,172	4,282,259	3,310,425
NET REVENUE BEFORE AMORTIZATION	(39,819)	1,156,544	2,492,447	1,718,266
Amortization expense	-	165,471	815,858	613,405
NET REVENUE	(39,819)	991,073	1,676,589	1,104,861

The accompanying notes form part of the financial statements.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The 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 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 collectibility 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, 2021

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, 2021

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, 2021

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

	2021	2020
	\$	\$
ATB Chequing	649,785	422,419
Term deposits	1,609,403	2,933,649
Cash	250	250
	2,259,438	3,356,318

Term deposits consist of several individual ATB Financial deposits that can be withdrawn at any time. Interest earned on the term deposits is 0.55% - 0.90%.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

3. TAXES RECEIVABLE	2021	2020
	\$	\$
Current:		
Current taxes	113,623	206,597
Non-current:		
Tax arrears	99,082	192,411
Less: allowance for doubtful accounts	(26,185)	(2,671)
	72,897	189,740
	186,520	396,337
4. ACCOUNTS RECEIVABLE	2021	2020
	\$	\$
Alberta Municipal Affairs	566,639	1,482,090
General Municipal Services	385,853	270,787
Other	206,250	94,254
	1,158,742	1,847,131
5. DEFERRED REVENUE	2021	2020
	\$	\$
Alberta Municipal Affairs - MSI Capital Grant	-	926,141
Alberta Municipal Affairs - Canada Community Building Fund	89,981	345,110
General Municipal Services	43,426	31,949
Water and Sewer Levies	215,283	215,283
	348,690	1,518,483

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

6. LONG-TERM DEBT

	2021	2020
	\$	\$
Long-term debt consists of the following:		
Tax supported debentures	1,263,555	-
Self-supported debentures	378,686	401,986
	1,642,241	401,986

Interest paid on long-term debt for the year amounted to \$29,816.

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

	Principal	Interest	Total
	\$	\$	\$
2022	98,470	42,695	141,165
2023	101,253	39,911	141,164
2024	104,124	37,040	141,164
2025	107,085	34,079	141,164
2026	110,140	31,024	141,164
Thereafter	1,121,169	171,820	1,292,989
	1,642,241	356,569	1,998,810

Debenture debt, repayable to Government of Alberta, bears interest at rates ranging from 2.32% 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, 2021

7. TANGIBLE CAPITAL ASSETS

Net book value of tangible capital assets is as follows:

	2021	2020
	\$	\$
Land and Land Improvements		
Land	1,289,078	1,385,979
Land Improvements	438,238	465,860
	1,727,316	1,851,839
Buildings	4,955,599	1,821,001
Engineering Structures:		
Roads	4,315,997	3,385,994
Curbs, Gutters, Signs, Sidewalks	260,570	277,753
Storm Sewer	804,733	819,402
Water Systems	2,298,092	2,304,550
Sewer Systems	4,166,687	4,269,878
	11,846,079	11,057,577
Machinery Equipment and Furniture	1,014,857	669,138
Vehicles	84,567	121,507
	19,628,418	15,521,062

8. DEFERRED COSTS

	2021	2020
	\$	\$
Prepaid administration costs	14,555	26,919

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

9. EQUITY IN CAPITAL ASSETS

	2021	2020
	\$	\$
Capital assets (Schedule 2)	33,679,864	29,343,604
Accumulated amortization (Schedule 2)	(14,051,446)	(13,822,542)
Long term debt (Note 6)	(1,642,241)	(401,986)
	17,986,177	15,119,076

10. TRUST FUNDS

The Town of Millet holds the following funds in trust:

	2021	2020
	\$	\$
Cemetery Perpetual Care Reserve		
Balance - beginning of year	11,366	10,326
Transactions during the year	1,021	1,040
Balance - end of year	12,387	11,366

TOWN OF MILLET

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

11. ACCUMULATED SURPLUS

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

	2021	2020
	\$	\$
Unrestricted surplus	129,574	316,411
Restricted surplus:		
Operating reserves		
General Operating	19,033	19,033
Crime Reward Reserve	36,863	2,000
Transportation Reserve	1,429	1,429
Utility/Insurable Reserve	269,514	319,514
Cemetery Maintenance Reserve	2,772	2,751
Provincial Policing Reserve	-	34,863
Solid Waste	37,044	37,044
	366,655	416,634
Capital reserves		
General	1,107,860	1,660,699
Street Improvement Program	4,127	4,127
Water	3,827	-
Sewer	20,210	-
Tennis Court	1,558	1,558
Capital Equipment Replacement	593,258	914,315
Major Facility	124,978	124,978
Agriplex	-	103,836
WDML Closure Reserve	87,596	87,596
Other	1,281	1,281
	1,944,695	2,898,390
Total restricted surplus	2,311,350	3,315,024
Equity in tangible capital assets (Note 9)	17,986,177	15,119,076
	20,427,101	18,750,511

TOWN OF MILLET

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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:

	2021	2020
	\$	\$
Total Debt Limit	6,283,116	5,985,863
Total Debt (Note 6)	1,642,241	401,986
Debt Limit Available	4,640,875	5,583,877
Debt Service Limit	1,047,186	997,644
Debt Service	141,165	37,958
Debt Service Limit Available	906,021	959,686

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, 2021

13. SALARY AND BENEFITS DISCLOSURE

	2021			2020	
	# of months	Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
Mayor - Doug Peel	5	7,904	95	7,999	-
Mayor - Anthony Wadsworth	7	9,693	-	9,693	15,395
Councilors:					
Marlene Albert	2	2,184	-	2,184	-
Mike Bennett	2	2,034	81	2,115	-
Rebecca Frost	2	2,136	87	2,223	-
Gerdie Hogstead	2	2,249	-	2,249	-
Mathew Starky	2	2,034	81	2,115	-
Charlene Van de Kraats	2	2,034	81	2,115	-
Patricia Garrett	10	10,570	61	10,631	12,445
Victoria Pyle	10	10,373	40	10,413	12,342
Doug Peel	7	7,221	40	7,261	12,347
Carol Sadoroszney	10	10,589	-	10,589	12,506
Mike Storey	8	8,136	-	8,136	12,657
Robin Brooks	10	10,798	-	10,798	12,254
Chief Administrative Officer:					
Lisa Schoening (1/2)	12	134,250	25,313	159,563	151,690
Designated Officer:					
Designated Officer (1/2)	12	73,059	20,187	93,246	95,781

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, severance pay, gross honoraria and any other direct cash remuneration. Any training and reimbursement of expenses are not included in the above figures.
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, 2021

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 25% 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 \$4.4 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 evaluation from the Town's legal counsel is a likely settlement in the amount of \$414,000 which has been set up as a liability in these financial statements.

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, 2021 by the Authority is \$4,061,667 (2020 - \$2,943,149) 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, 2021

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 2021 budget figures which appear in these financial statements have been approved by council.

18. LEASE COMMITMENTS

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 \$48,958.

19. 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 any financial liabilities in 2021 (2020 - \$0) as a result of this standard.

20. SIGNIFICANT EVENTS

During 2021 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.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

