

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

TOWN OF MILLET

DECEMBER 31, 2021

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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

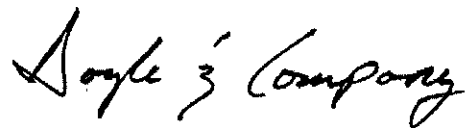
Debt Limit Regulation

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 I
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 from 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 Sadorosney | 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.

