



SCASE & PARTNER

CHARTERED PROFESSIONAL ACCOUNTANTS



Village of Milo

Year end December 31, 2021

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SCASE & PARTNER

CHARTERED PROFESSIONAL ACCOUNTANTS

April 25, 2022

Village of Milo
Box 65
Milo, Alberta T0L 1L0

Re: Year Ended December 31, 2021

1. The Village has a surplus for the year from operations for the year of \$56,044. This surplus reduced by the inclusion of amortization of \$134,059 that is not included in the budget. If you remove the amortization from the expenses, the surplus of \$56,044 now becomes a surplus of $(\$56,044 + 134,059) = \$190,103$. Your budget surplus was \$32,059.
2. We calculate your change in total cash at the year end and from that total cash we deduct the cash that is restricted (unspent grant funds, reserves and credits on property and utility accounts). Your unrestricted operating cash this year end is \$550,864 and for the 2020 year end it was \$397,675, an increase of \$153,189.
3. Property taxes unpaid at this year-end were \$25,840 and for the 2020 year end the unpaid amount was \$24,545.
4. A measurement that is calculated each year end is called the Debt Service Limits. This is a measurement of the municipalities existing total indebtedness against what it could borrow and the existing annual payment on that debt which includes interest and principal. The amounts used in the formula includes; existing term debt, operating lines of credit that are outstanding at year end and guarantees of debt of other organizations.

a. Total debt limit on December 31, 2021	
i. Maximum calculated by formula	\$ 926,604
ii. Less: existing debt at year end	<u>(125,632)</u>
Additional debt room available	<u>\$ 800,972</u>
b. Debt service limit on December 31, 2021	
i. Maximum calculated by formula	\$154,434
ii. Less: existing annual payments	<u>(13,615)</u>
Additional payment room available	<u>\$140,819</u>

This formula is used as part of the measurement of the financial health of a municipality however there are other factors that come into play as well.

5. The village has no reserves set aside for future planning to ensure there is a contingency fund for unplanned major expenditures and other cash to provide equity for new projects matching provincial or federal funding.

If you have any other questions regarding the year end, please let me know.

Yours very truly,

Darryl Scase CPA
Partner

VILLAGE OF MILO

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

VILLAGE OF MILO

DECEMBER 31, 2021

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SCASE & PARTNER
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COUNCIL VILLAGE OF MILO

We have audited the consolidated financial statements of the Village of Milo, which comprise the consolidated statement of financial position for the year ended December 31, 2021 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated statements present fairly, in all material respects the consolidated financial position of the Village of Milo as at December 31, 2021, and its financial performance 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 Village of Milo in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Village to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Village's audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Darryl Scase

April 25, 2022
Calgary, Alberta

Scase & Partner

Chartered Professional Accountants

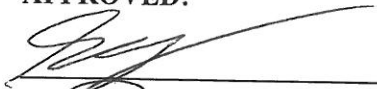
VILLAGE OF MILO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 1,019,999	\$ 782,440
Receivables (Note 3)		
Taxes and grants in place of taxes	25,839	24,545
Receivables from other governments	237,192	148,051
Trade and other receivables	10,511	9,201
Land held for resale (Note 4)	410,916	410,916
Investments	895	866
	1,705,352	1,376,019
LIABILITIES		
Accounts payable and accrued liabilities	2,673	5,881
Deposit liabilities (Note 7)	13,249	10,333
Deferred revenue (Note 7)	691,294	503,907
Long term debt (Note 6)	125,632	132,132
	832,848	652,253
NET FINANCIAL ASSETS (DEBT)	872,504	723,766
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2, Note 5)	2,945,940	3,041,114
Inventory for internal consumption	4,070	1,590
	2,950,010	3,042,704
ACCUMULATED SURPLUS (Schedule 1, Note 11)	\$ 3,822,514	\$ 3,766,470

APPROVED:


Mayor

Councilor

The accompanying notes form an integral part of these financial statements

VILLAGE OF MILO

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

14. COMMITMENTS

The Village has commitments as follows:

Agreement with Benchmark Assessment Consultants Inc. to provide general assessment services for municipal property. The agreement is for the period August 1, 2019 to July 31, 2024. Annual fixed cost for the service is \$5,500 plus applicable taxes. Additional services outside the scope of the general assessment would be charged at an agreed upon fee.

Agreement with the Province of Alberta to manage and maintain the Lake McGregor provincial recreational area. The agreement was for the period of May 1, 2021 to October 31, 2021 with an option to extend the service for an additional 24 months. The agreement has been extended for the period May 1, 2022 to October 31, 2022. The annual fee for providing the service is \$79,010.

Vulcan County Waster Commission. The village is a member of the commission that provides for the removal of solid waster from the community. The community pays the commission for these services. Any repair and capital expenditures necessary for the upkeep of the commission's property and equipment that is not funded by the province will be born on a pro rata basis by each community.

Canada Post Dealership Agreement. The village provides postal service for the community at large and all staff necessary to provide the service. The agreement is ongoing with an annual feed paid to the community of approximately \$11,500.

15. SEGMENTED DISCLOSURE

The Village of Milo provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Schedule 6 reports the segmented revenues and expenditures for the year ended December 31, 2021.

16. COMPARATIVE INFORMATION

Certain 2020 comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

17. ROUNDING

Certain balances within the consolidated financial statements and the supporting schedules and notes to the financial statements may not agree due to rounding as a result of the use of formulas.

18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

MANAGEMENT REPORT

The accompanying consolidated financial statements for the year ended December 31, 2021 and other information contained in this Financial Report are the responsibility of the management of the Village of Milo.

Management has prepared these consolidated financial statements. Financial statements are not precise since they include certain amounts based on estimated and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

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

The Village maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the Village's assets are properly accounted for and adequately safeguarded.

The elected Council of the Village of Milo is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets regularly with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Council also approves the engagement or re-appointment of the external auditors. The Council reviews the financial reports.

The consolidated financial statements have been audited by Scase & Partner Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of Council, residents and ratepayers of the Village. Scase & Partner was given and had full and free access to Council.



Mayor

APR 29/2022

Date

VILLAGE OF MILO

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
REVENUE			
Net municipal taxes (Schedule 3)	\$ 192,145	\$ 190,596	\$ 176,781
User fees and sales of goods	175,705	190,700	177,924
Government transfers for operating (Schedule 4)	13,612	80,712	112,948
Investment income	-	7,319	1,359
Penalties and costs of taxes	5,480	4,950	3,314
Franchise and concession contracts	24,000	28,902	24,755
Net gain (loss) on sale of capital assets	-	-	10,842
Other	103,437	114,557	34,959
	514,379	617,736	542,882
EXPENSES			
Legislative	9,000	5,407	3,156
Administration	218,270	235,154	232,049
Fire and disaster	1,250	212	14,234
Bylaws enforcement	-	1,748	-
Common services	107,200	85,214	35,785
Roads, streets, walks, lighting	3,500	59,998	59,191
Water supply and distribution	114,500	136,428	130,577
Wastewater treatment and disposal	-	9,713	-
Waste management	24,750	26,271	22,919
Land use planning, zoning and development	3,650	3,520	3,397
Parks and recreation	200	44,267	76,074
	482,320	607,932	577,382
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	32,059	9,804	(34,500)
Government transfers for capital (Schedule 4)	-	46,240	446,528
EXCESS OF REVENUE OVER EXPENSES	32,059	56,044	412,028
ACCUMULATED SURPLUS, beginning of year	3,766,740	3,766,470	3,354,442
ACCUMULATED SURPLUS, end of year	\$ 3,798,799	\$ 3,822,514	\$ 3,766,470

The accompanying notes form an integral part of these financial statements

VILLAGE OF MILO

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
EXCESS OF REVENUES OVER EXPENSES	\$ 32,059	\$ 56,044	\$ 412,028
Acquisition of tangible capital assets	-	(38,886)	(450,058)
Amortization of tangible capital assets	-	134,059	122,799
Proceeds on disposal of tangible capital assets	-	-	11,030
(Gain) loss on sale of tangible capital assets	-	-	(10,842)
	-	95,173	(327,071)
Acquisition of supplies inventories	-	(4,070)	(1,590)
Use of supplies inventories	-	1,591	2,373
	-	(2,479)	783
INCREASE IN NET FINANCIAL ASSETS	32,059	148,738	85,740
NET FINANCIAL ASSETS, beginning of year	723,766	723,766	638,026
NET FINANCIAL ASSETS, end of year	\$ 755,825	\$ 872,504	\$ 723,766

The accompanying notes form an integral part of these financial statements

VILLAGE OF MILO

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

	2021	2020
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (shortfall) of revenue over expenses	\$ 56,044	\$ 412,028
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization	134,059	122,799
(Gain) loss on disposal of tangible capital assets	-	(10,842)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place receivable	(1,294)	(5,956)
Decrease (increase) in trade and other receivables	(1,310)	719
Decrease (increase) in receivables from other governments	(89,142)	(25,900)
Decrease (increase) in inventory for consumption	(2,480)	783
Increase (decrease) in accounts payable and accrued liabilities	(3,208)	3,256
Increase (decrease) in deposit liabilities	2,917	5,599
Increase (decrease) in deferred revenue	187,387	(141,069)
CASH PROVIDED BY OPERATING ACTIVITIES	282,973	361,417
INVESTING		
Acquisition of tangible capital assets	(38,886)	(450,058)
Sale of tangible capital assets	-	11,030
Decrease (increase) in investments	(29)	(74)
CASH APPLIED TO INVESTING TRANSACTIONS	(38,915)	(439,102)
FINANCING		
Long-term debt repaid	(6,499)	(6,159)
CASH APPLIED TO FINANCING TRANSACTIONS	(6,499)	(6,159)
CHANGE IN CASH AND CASH EQUIVALENTS	237,559	(83,844)
CASH AND CASH EQUIVALENTS, beginning of year	782,440	866,284
CASH AND CASH EQUIVALENTS, end of year	\$ 1,019,999	\$ 782,440
CASH AND CASH EQUIVALENTS IS REPRESENTED BY:		
Cash and temporary investments (Note 2)	\$ 1,019,999	\$ 782,440
INTEREST PAID ON LONG-TERM DEBT	\$ <u>7,116</u>	\$ <u>7,457</u>

The accompanying notes form an integral part of these financial statements

VILLAGE OF MILO

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2021 SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
BALANCE, beginning of year	\$ 857,483	\$ -	\$ 2,908,987	\$ 3,766,470	\$ 3,354,442
Excess of revenues over expenses	56,044	-	-	56,044	412,028
Current year funds used for tangible capital assets	(38,886)	-	38,886	-	-
Annual amortization expense	134,059	-	(134,059)	-	-
Long term debt repaid	(6,499)	-	6,499	-	-
Change in accumulated surplus	144,718	-	(88,674)	56,044	412,028
BALANCE, end of year	\$ 1,002,201	\$ -	\$ 2,820,313	\$ 3,822,514	\$ 3,766,470

VILLAGE OF MILO

SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 2

ENGINEERED STRUCTURES

COST:	LAND		LAND IMPROVEMENTS		BUILDINGS	ROADS & STREETS	WATER SYSTEM	WASTEWATER MACHINERY & EQUIPMENT	VEHICLES	2021	2020
	LAND	IMPROVEMENTS	BUILDINGS	ROADS & STREETS	WATER SYSTEM	WASTEWATER MACHINERY & EQUIPMENT	VEHICLES	2021	2020		
BALANCE, beginning of year	\$ 66,089	\$ 4,585	\$ 290,302	\$ 1,421,224	\$ 2,266,178	\$ 758,239	\$ 122,044	\$ -	\$ 4,928,661	\$ 4,510,079	
Acquisition of assets	-	-	4,544	-	11,833	22,509	-	-	38,886	90,898	
Construction-in-progress	-	-	-	-	-	-	-	-	-	359,160	
Disposal of assets	-	-	-	-	-	-	-	-	-	(31,475)	
BALANCE, end of year	66,089	4,585	294,846	1,421,224	2,278,011	780,748	122,044	-	4,967,547	4,928,662	
ACCUMULATED AMORTIZATION:											
BALANCE, beginning of year	-	4,127	63,553	502,190	919,370	349,551	48,757	-	1,887,548	1,796,035	
Annual amortization	-	305	13,409	58,551	42,857	9,712	9,225	-	134,059	122,799	
Accum amortization on disposals	-	-	-	-	-	-	-	-	-	(31,285)	
BALANCE, end of year	-	4,432	76,962	560,741	962,227	359,263	57,982	-	2,021,607	1,887,549	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS											
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 66,089	\$ 153	\$ 217,884	\$ 860,483	\$ 1,315,784	\$ 421,485	\$ 64,062	\$ -	\$ 2,945,940	\$ 3,041,113	
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS											
TANGIBLE CAPITAL ASSETS	\$ 66,089	\$ 458	\$ 226,749	\$ 919,034	\$ 1,346,808	\$ 408,688	\$ 73,287	\$ -	\$ 3,041,113		

VILLAGE OF MILO

**SCHEDULE OF PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE 3**

	Budget (Unaudited)	2021	2020
TAXATION			
Real property taxes, net of requisitions	\$ 192,145	\$ 187,324	\$ 173,883
Linear property taxes, net of requisitions	-	3,272	2,898
Net municipal taxes	\$ 192,145	\$ 190,596	\$ 176,781
REQUISITIONS			
Alberta School Foundation Fund	31,750	34,830	31,750
Marquis Foundation	4,098	4,098	2,870
Total requisitions	\$ 35,848	\$ 38,928	\$ 34,620

VILLAGE OF MILO

SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 4

	Budget (Unaudited)	2021	2020
TRANSFERS FOR OPERATING:			
Provincial Government	\$ 13,612	\$ 15,612	\$ 29,048
Other Local Governments	-	65,100	83,900
	13,612	80,712	112,948
TRANSFERS FOR CAPITAL:			
Provincial Government	-	46,240	446,528
	-	46,240	446,528
TOTAL GOVERNMENT TRANSFERS	\$ 13,612	126,952	559,476

VILLAGE OF MILO

SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2021 SCHEDULE 5

	Budget (Unaudited)	2021	2020
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, wages and benefits	\$ 169,320	\$ 148,391	\$ 135,919
Contracted and general services	154,100	199,598	237,260
Materials, goods and utilities	144,350	89,734	73,459
Transfers to local boards and agencies	-	28,500	-
Bank charges and short-term interest	550	532	489
Amortization of tangible capital assets	-	134,061	122,798
Interest on capital long-term debt	14,000	7,116	7,457
	\$ 482,320	607,932	\$ 577,382

VILLAGE OF MILO

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

	General Government	Protective Services	Transportation Services	Planning and Development	Recreation and Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 190,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,596
Government transfers	20,156	6,508	847	-	65,100	34,341	-	126,952
User fees and sale of goods	24,596	-	-	-	200	165,904	-	190,700
Investment income	6,926	-	-	-	393	-	-	7,319
Other revenue	147,728	-	-	-	-	681	-	148,409
	390,002	6,508	847	-	65,693	200,926	-	663,976
EXPENSES								
Contract & general services	99,817	1,960	29,820	3,520	15,460	49,020	-	199,597
Salaries and wages	74,720	-	23,271	-	-	50,400	-	148,391
Goods and supplies	53,151	-	23,277	-	-	13,306	-	89,734
Transfers to local boards	-	-	-	-	28,500	-	-	28,500
Long-term debt interest	-	-	-	-	-	7,116	-	7,116
Other expenses	532	-	-	-	-	-	-	532
	228,220	1,960	76,368	3,520	43,960	119,842	-	473,870
NET REVENUE BEFORE AMORTIZATION								
	161,782	4,548	(75,521)	(3,520)	21,733	81,084	-	190,106
Amortization	12,342	-	68,844	-	306	52,570	-	134,062
NET REVENUE	\$ 149,440	\$ 4,548	\$ (144,365)	\$ (3,520)	\$ 21,427	\$ 28,514	\$ -	\$ 56,044

VILLAGE OF MILO

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

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Milo are the representations of management prepared in accordance with Canadian 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 Village are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are therefore, accountable to the Village Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Village of Milo Recreation Board

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions, and other amounts are received from third parties pursuant to legislation, regulation, or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

VILLAGE OF MILO

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Investments

Investments are recorded at cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Consolidated Change in Net Financial Assets (Debt) for the year.

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15-20 years
Buildings	25-50 years
Engineered structures	
Water system	35-65 years
Wastewater system	35-65 years
Other engineered structures	15-40 years
Machinery and equipment	5-20 years
Vehicles	3-20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

VILLAGE OF MILO

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Debt charges recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt, less actuarial requirements for the retirement of any sinking fund debentures.

(g) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(h) Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special 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 repay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight-line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by the amount equal to the debt repayment.

(i) Fund Accounting

Management funds consists of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Principal payments on debt are recorded as an increase in the capital fund and debt interest payments are recorded as operating fund expenditure. Proceeds from sales of land held for resale are recorded as operating fund revenues

(j) Tax revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

(k) Requisition Over-levies and Under-levies

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.

VILLAGE OF MILO

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(l) Reserves for Future Expenditures

Reserves are established at the discretion of council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the operating fund while transfers to and/or from capital reserves are shown as an adjustment to the respective fund.

(m) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated 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. Actual results could differ from those estimates.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2021</u>	<u>2020</u>
Cash	\$ 822,988	\$ 518,813
Temporary investments	<u>197,011</u>	<u>263,627</u>
	<u>\$ 1,019,999</u>	<u>\$ 782,440</u>
Restricted funds for other than current use	\$ 469,135	\$ 384,765
Unrestricted cash and temporary investments	<u>550,864</u>	<u>397,675</u>
Total cash and temporary investments	<u>\$ 1,019,999</u>	<u>\$ 782,440</u>

Temporary investments are investments with maturities in the normal operating cycle of the municipality. Interest rates for the investments vary from 0.2% to 2.45%.

The restricted surplus would be cash and temporary investments set aside by the Village council, the purpose of which would be to provide funds for future planned projects, or other contingencies.

The restricted funds are set aside from unused conditional grants received by the Village that have not yet been used for the purpose they were advanced for. As conditions for the grants are met by the Village, the funds are available for the Village to use and the amount of restricted funds is reduced.

VILLAGE OF MILO

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

3. RECEIVABLES

<u>Property taxes</u>	<u>2021</u>	<u>2020</u>
Current taxes and grants in place of taxes	\$ 22,031	\$ 20,656
Arrears taxes	<u>3,809</u>	<u>3,889</u>
	25,840	24,545
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>
Total property taxes	<u>\$ 25,840</u>	<u>\$ 24,545</u>
<u>Other</u>		
GST	\$ 1,784	\$ 18,576
Grants	<u>235,408</u>	<u>129,475</u>
	237,192	148,051
Trade receivables	<u>10,511</u>	<u>9,201</u>
	247,703	157,252
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>
Total other and trade receivables	<u>\$ 247,703</u>	<u>\$ 157,252</u>
Total all receivables	<u>\$ 273,543</u>	<u>\$ 181,797</u>

4. INVENTORY

Land held for resale

Inventory is comprised of land purchased by the Village for future subdivision purposes. The land is recorded at the lower of cost or net realizable value. The cost includes the original purchase price and incidental costs expended by the Village during the balance of the year. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function. The land is recorded as a financial asset as it meets the requirements for such classification under the public sector standards.

VILLAGE OF MILO

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

5. TANGIBLE CAPITAL ASSETS

	Net Book Value	<u>2021</u>	<u>2020</u>
Land		\$ 66,089	\$ 66,089
Land improvements		153	458
Buildings		217,884	226,750
Engineered structures			
Roadway system		860,483	919,035
Water distribution system		1,315,784	1,346,807
Wastewater treatment system		421,485	408,689
Machinery, equipment and furnishings		<u>64,062</u>	<u>73,286</u>
		<u>\$ 2,945,940</u>	<u>\$ 3,041,114</u>

6. LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
ACFA debentures	\$ <u>125,632</u>	\$ <u>132,132</u>
Current portion	\$ <u>6,858</u>	\$ <u>6,499</u>

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,858	\$ 6,757	\$ 13,615
2023	7,237	6,378	13,615
2024	7,637	5,978	13,615
2025	8,059	5,556	13,615
2026	8,505	5,111	13,616
Thereafter	<u>87,336</u>	<u>21,593</u>	<u>108,929</u>
	<u>\$ 125,632</u>	<u>\$ 51,373</u>	<u>\$ 177,005</u>

Debenture debt is repayable to Alberta Capital Finance Authority and matures in 2034 with an annual interest rate of 5.452%. The payments for the debenture are made semi-annually in March and September of each year. Debenture debt is issued on the credit and security of the Village of Milo at large. Interest on long-term debt amounted to \$7,116 (2020 - \$7,457).

VILLAGE OF MILO

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

7. DEFERRED REVENUE AND DEPOSIT LIABILITIES

	<u>2021</u>	<u>2020</u>
Unearned income		
Prepaid tax and utilities	\$ 10,766	\$ 6,600
Water deposits	2,500	3,750
Deferred revenue	<u>691,294</u>	<u>503,907</u>
	<u>\$ 704,560</u>	<u>\$ 514,257</u>
Deferred revenue consists of:		
MSI capital	\$ 582,646	\$ 495,259
CCBF	101,098	1,098
ACP	<u>7,550</u>	<u>7,550</u>
	<u>\$ 691,294</u>	<u>\$ 503,907</u>

8. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313-2000 is as follows:

	<u>2021</u>			<u>2020</u>
	<u>Salary</u>	<u>Benefits and Allowances</u>	<u>Total</u>	<u>Total</u>
Mayor S. Schroeder	1,200	202	1,402	1,000
Councilor L. Headrick	-	-	-	600
Councilor D. Melnyk	100	99	199	-
Councilor S. Walker	1,550	550	2,100	1,368
Chief Administrative Officer	31,635	2,364	33,999	42,801
Designated Officer - Assessor	5,253	-	5,253	5,000

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
- (3) Benefits and allowance figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement services, concession loans, travel allowances, car allowances and club memberships.

VILLAGE OF MILO

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

9. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Milo be disclosed as follows:

	<u>2021</u>	<u>2020</u>
Total debt limit	\$ 926,604	\$ 814,323
Total debt	<u>(125,632)</u>	<u>(132,132)</u>
Amount of debt limit unused	<u>\$ 800,972</u>	<u>\$ 682,191</u>
	<u>2021</u>	<u>2020</u>
Debt servicing limit	\$ 154,434	\$ 135,721
Debt servicing	<u>(13,615)</u>	<u>(13,615)</u>
Amount of debt servicing limit unused	<u>\$ 140,819</u>	<u>\$ 122,106</u>

The debt limit is calculated as 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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible capital assets (Schedule 2)	\$ 4,967,547	\$ 4,928,661
Accumulated amortization (Schedule 2)	(2,021,607)	(1,887,548)
Long-term debt (Note 6)	<u>(125,632)</u>	<u>(132,132)</u>
Equity in tangible capital assets	<u>\$ 2,820,308</u>	<u>\$ 2,908,981</u>

VILLAGE OF MILO

NOTES TO 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:

	<u>2021</u>	<u>2020</u>
Unrestricted surplus (Schedule 1)	\$ 1,002,201	\$ 857,483
Equity in TCAs (Schedule 1)	<u>2,820,313</u>	<u>2,908,987</u>
	<u>\$ 3,822,514</u>	<u>\$ 3,766,470</u>

12. CONTINGENCIES

The Village of Milo is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Village of Milo could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

COVID - 19

COVID-19 arose in the first part of the 2020 fiscal year. Management and village council had evaluated the potential impact on the operations. The evaluation included the source of revenue for the village and the impact that the shutdown would have on the continued ability to provide services to all citizens and businesses of the community.

Both the federal and provincial governments have reduced, and some cases ended the restriction subsequent to the current year ended. Village management and council remain conscious of the ongoing risks with COVID and have ensured compliance with appropriate controls to minimize any potential new outbreaks.

13. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, receivables, accounts payable and accrued liabilities, deposit liabilities, employee benefit obligations, and long-term debt. It is management's opinion that the town is not exposed to significant interest or currency risk arising from these financial instruments. Financial instruments that are traded on an exchange are reported at fair market value at the reporting date. The adjustment to fair value at the reporting period is reported as an unrealized gain or loss in the statement of operations. All other financial instruments are reported at amortized cost unless there is a permanent decline in value at which time the adjustment to fair value is recorded as an unrealized loss in the statement of operations.

The Village 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 Village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimize the credit risk.

Unless otherwise noted, the stated of these financial instruments approximate fair value.



SCASE & PARTNER
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT – FINANCIAL INFORMATION RETURN

TO THE MEMBERS OF COUNCIL OF THE VILLAGE OF MILO

Opinion

We have audited the municipal financial information return of the Village of Milo, which comprises the consolidated statement of financial position for the year ended December 31, 2021 and the consolidated statements of comprehensive income by function and object and accumulated surplus for the year then ended.

In our opinion, the municipal financial information return present fairly, in all material respects the financial position of the Village of Milo as at December 31, 2021 and the results of its operations, changes in net financial assets (debt) 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 Municipal Financial Information Return section of our report. We are independent of the Village of Milo in accordance with the ethical requirements that are relevant to our audit of the municipal financial information return in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate.

Emphasis of Matter – Basis of Accounting

The financial information return is prepared to assist the Village of Milo to meet the requirements of the Municipal Government Act (Section 277(1)). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Municipal Financial Information Return

Management is responsible for the preparation and fair presentation of the municipal financial information return in accordance with Canadian public sector accounting standards and the Alberta Municipal Government and for such internal control as management determines is necessary to enable the preparation of the municipal financial information return that are free from material misstatement, whether due to fraud or error.

In preparing the municipal financial information return, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipalities financial reporting process.

Auditor's responsibility for the Audit of the Municipal Financial Information Return

Our objectives are to obtain reasonable assurance about whether the municipal financial information return as a whole is 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 this municipal financial information return.

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:

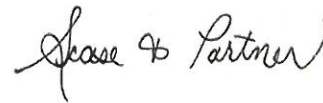
- Identify and assess the risks of material misstatement of the municipal financial information return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality'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 municipal financial information return 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 Municipality to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the municipal financial information return, including the disclosures, and whether the municipal financial information return represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the municipal financial information return. We are responsible for the direction, supervision and performance of the Municipality's audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Darryl Scase.



Calgary, Alberta
April 25, 2022

Chartered Professional Accountants

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2021

Municipality Name:

Village of Milo

CERTIFICATION

The information contained in this Financial Information Return is presented fairly to the best of my knowledge.

x WENDY HINGLEY
Print Name

x APRIL 26, 2022
Date

The number of potential errors on Page 13 of this form: 2

FINANCIAL POSITION

Schedule 9A

	Total 1
Assets	0010
Cash and Temporary Investments	0020 1,019,999
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current	0040 22,030
. Arrears	0050 3,808
. Allowance	0060
Receivable From Other Governments	0070 237,192
Loans Receivable	0080
Trade and Other Receivables	0090 10,510
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land	0140 410,916
. Other	0150
Long Term Investments	0170
. Federal Government	0180
. Provincial Government	0190
. Local Governments	0200
. Other	0210 895
Other Current Assets	0230
Other Long Term Assets	0240
Total Financial Assets	0250
	0260 1,705,350
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290
Accounts Payable & Accrued Liabilities	0300 2,675
Deposit Liabilities	0310 13,249
Deferred Revenue	0340 691,294
Long Term Debt	0350 125,632
Other Current Liabilities	0360
Asset Retirement Obligations.....	0365
Other Long Term Liabilities	0370
Total Liabilities	0380
	0390 832,850
Net Financial Assets (Net Debt)	0395 872,500
Non Financial Assets	
Tangible Capital Assets.....	0400 2,945,940
Inventory for Consumption.....	0410 4,070
Prepaid Expenses	0420
Other.....	0430
Total Non-Financial Assets	0440 2,950,010
Accumulated Surplus	0450 3,822,510

CHANGE IN OPERATING ACCUMULATED SURPLUS

Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Operating Surplus - Beginning of Year	0500	857,482		2,908,984	3,766,466
Net Revenue (Expense)	0505	56,044			56,044
Funds Designated For Future Use.....	0511				
Restricted Funds - Used for Operations.....	0512				
Restricted Funds - Used for TCA.....	0513				
Current Year Funds Used for TCA	0514	-38,887		38,887	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517				
Annual Amortization Expense.....	0518	134,062		-134,062	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521	-6,499		6,499	
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Operating Surplus - End of Year.....	0525	1,002,202		2,820,308	3,822,510

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue 1	Expense 2
Total General	0700 190,596	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730	1170 5,407
General Administration	0740 199,406	1180 235,154
Other General Government.....	0750	1190
Protective Services	0760	1200
Police	0770	1210
Fire	0780 6,508	1220 212
Disaster and Emergency Measures	0790	1230
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810	1250 1,748
Other Protective Services.....	0820	1260
Transportation	0830	1270
Common and Equipment Pool	0840	1280 85,214
Roads, Streets, Walks, Lighting	0850 847	1290 59,998
Airport	0860	1300
Public Transit	0870	1310
Storm Sewers and Drainage	0880	1320
Other Transportation	0890	1330
Environmental Use and Protection	0900	1340
Water Supply and Distribution	0910 129,698	1350 136,428
Wastewater Treatment and Disposal	0920 45,766	1360 9,713
Waste Management	0930 25,462	1370 26,271
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960	1400
Day Care	0970	1410
Cemeteries and Crematoriums	0980	1420
Other Public Health and Welfare	0990	1430
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010	1450 3,520
Economic/Agricultural Development	1020	1460
Subdivision Land and Development	1030	1470
Public Housing Operations	1040	1480
Land, Housing and Building Rentals	1050	1490
Other Planning and Development.....	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090 65,693	1530 44,267
Culture: Libraries, Museums, Halls	1100	1540
Convention Centres	1110	1550
Other Recreation and Culture.....	1120	1560
Other Utilities	1125	1565
Gas	1126	1566
Electric	1127	1567
Other	1130	1570
Total Revenue/Expense	1140 663,976	1580 607,932
Net Revenue/Expense		1590 56,044

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total
		1
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (net municipal, excluding requisitions).....	1720	190,596
. Business	1730	
. Business Revitalization Zone	1740	
. Special	1750	
. Well Drilling	1760	
. Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	190,700
Penalties and Costs on Taxes	1810	4,950
Licenses and Permits	1820	
Fines	1830	
Franchise and Concession Contracts	1840	28,902
Returns on Investments (incl. Portfolio Investments)	1850	7,319
Rentals	1860	
Insurance Proceeds	1870	
Net Gain on Sale of Tangible Capital Assets	1880	
Contributed and Donated Assets.....	1885	
Federal Government Unconditional Transfers	1890	
Federal Government Conditional Transfers	1900	
Provincial Government Unconditional Transfers	1910	15,612
Provincial Government Conditional Transfers	1920	46,240
Local Government Transfers	1930	65,100
Transfers From Local Boards and Agencies	1940	
Developer Agreements	1960	
Offsite Levies	1962	
Other Revenues	1970	114,557
Total Revenue	1980	663,976
Expenses	1990	
Salaries, Wages, and Benefits	2000	148,391
Contracted and General Services	2010	199,597
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	89,734
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	28,500
Transfers to Individuals and Organizations	2070	
Bank Charges and Short Term Interest	2080	532
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	7,116
Accretion of Asset Retirement Obligations.....	2105	
Amortization of Tangible Capital Assets	2110	134,062
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures	2130	
Total Expenses	2140	607,932
Net Revenue (Expense)	2150	56,044

REMEASUREMENT GAINS AND LOSSES

Schedule 9Q

Accumulated remeasurement gains (losses) at beginning of the year	2171	<input type="text"/>
Gains	2172	<input type="text"/>
Losses	2174	<input type="text"/>
Amounts reclassified to Statement of Operations	2176	<input type="text"/>
Net Remeasurement gains (losses) for the year	2178	<input type="text"/>
Accumulated remeasurement gains (losses) at end of year	2180	<input type="text"/>

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	24,595	4,544	12,342	
Other General Government.....	2230				
Protective Services	2240				
Police	2250				
Fire	2260		6,508		
Disaster and Emergency Measures	2270				
Ambulance and First Aid	2280				
Bylaws Enforcement	2290				
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320			10,293	
Roads, Streets, Walks, Lighting	2330		847	58,551	
Airport	2340				
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	117,186	11,832	42,857	7,116
Wastewater Treatment and Disposal	2400	23,257	22,509	9,713	
Waste Management	2410	25,462			
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440				
Day Care	2450				
Cemeteries and Crematoriums	2460				
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490				
Economic/Agricultural Development	2500				
Subdivision Land and Development	2510				
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530				
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	200		306	
Culture: Libraries, Museums, Halls	2580				
Convention Centres	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607				
Other	2610				
Total	2620	190,700.00	46,240.00	134,062.00	7,116.00

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative	2710				
General Administration	2720	4,544			
Other General Government.....	2730				
Protective Services	2740				
Police	2750				
Fire	2760				
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830				
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	11,833			6,499
Wastewater Treatment and Disposal	2900	22,510			
Waste Management	2910				
Other Environmental Use and Protection	2920				
Public Health and Welfare	2930				
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960				
Other Public Health and Welfare	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000				
Subdivision Land and Development	3010				
Public Housing Operations	3020				
Land, Housing and Building Rentals	3030				
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070				
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	38,887.00			6,499.00

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

	Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Tangible Capital Assets - Cost				
Engineered Structures	3200			
Roadway Systems.....	3201	1,421,224		1,421,224
Light Rail Transit Systems.....	3202			
Water Systems.....	3203	2,266,179	11,833	2,278,012
Wastewater Systems.....	3204	758,238	22,510	780,748
Storm Systems.....	3205			
Fibre Optics.....	3206			
Electricity Systems.....	3207			
Gas Distribution Systems.....	3208			
Total Engineered Structures	3210	4,445,641	34,343	4,479,984
Construction In Progress.....	3219			
Buildings	3220	290,302	4,544	294,846
Machinery and Equipment	3230	122,044		122,044
Land	3240	66,089		66,089
Land Improvements.....	3245	4,585		4,585
Vehicles	3250			
Total Capital Property Cost	3260	4,928,661.00	38,887.00	4,967,548.00
Accumulated Amortization				
Engineered Structures	3270			
Roadway Systems	3271	502,189	58,551	560,740
Light Rail Transit Systems	3272			
Water Systems	3273	919,369	42,857	962,226
Wastewater Systems	3274	349,551	9,713	359,264
Storm Systems	3275			
Fibre Optics	3276			
Electricity Systems	3277			
Gas Distribution Systems	3278			
Engineered Structures	3280	1,771,109	111,121	1,882,230
Buildings	3290	63,553	13,410	76,963
Machinery and Equipment	3300	48,757	9,225	57,982
Land	3310			
Land Improvements.....	3315	4,127	306	4,433
Vehicles	3320			
Total Accumulated Amortization	3330	1,887,546.00	134,062.00	2,021,608.00
Net Book Value of Capital Property	3340	3,041,115		2,945,940
Capital Long Term Debt (Net)	3350	132,131		125,632
Equity in Tangible Capital Assets	3400	2,908,984.00		2,820,308.00

LONG TERM DEBT SUPPORT

Schedule 9H

	Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support 3405			
Supported by General Tax Levies 3410			
Supported by Special Levies 3420			
Supported by Utility Rates 3430			
Other 3440		125,632	125,632
Total Long Term Debt Principal Balance 3450		125,632.00	125,632.00

LONG TERM DEBT SOURCES

Schedule 9I

	Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority..... 3500		125,632	125,632
Canada Mortgage and Housing Corporation 3520			
Mortgage Borrowing 3600			
Other 3610			
Total Long Term Debt Principal Balance 3620		125,632.00	125,632.00

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

	Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year 3700			
Current + 1 3710		6,858	6,858
Current + 2 3720		7,237	7,237
Current + 3 3730		7,637	7,637
Current + 4 3740		8,059	8,059
Current + 5 3750		8,505	8,505
Thereafter 3760		87,336	87,336
Total Principal 3770		125,632.00	125,632.00
Interest by Year 3780			
Current + 1 3790		6,757	6,757
Current + 2 3800		6,378	6,378
Current + 3 3810		5,978	5,978
Current + 4 3820		5,556	5,556
Current + 5 3830		5,111	5,111
Thereafter 3840		21,593	21,593
Total Interest 3850		51,373.00	51,373.00

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

		Property Taxes 1	Grants - in Place 2	Total 3
Municipal Property Taxes	3900			
Residential Land and Improvements				
Total	3910	122,592		122,592
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	63,902		63,902
Machinery and Equipment	3950			
Linear Property	3960	3,272		3,272
Small Business Tax	3965			
Farm Land	3980	830		830
Adjustments to Property Taxes	3990			
Total Municipal Property Taxes and Grants In Place	4000	190,596		190,596
Provincial and Seniors Foundation Requisitions			4010	
Education				
Residential/Farm Land			4031	26,123
Non-Residential			4035	8,707
Seniors Lodges			4090	4,098
Designated Industrial Property			4099	
Other			4100	
Adjustments to Requisition Transfers			4110	
Total Requisition Transfers			4120	38,928

GRANTS IN PLACE OF TAXES

Schedule 9L

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200				
Provincial Government	4210				
Local Government	4220				
Other	4230				
Total	4240				

DEBT LIMIT

Schedule 9AA

Debt Limit	5700	926,604
Total Debt	5710	125,632
Debt Service Limit	5720	154,434
Total Debt Service Costs	5730	13,615

Enter prior year Line 3450 Column 2 balance here: 132,131

GRANT AND DEFERRED GRANT REVENUE SCHEDULE

Schedule 9P

Cash and Temporary Investments	8820	1,019,999
Restricted Cash by Grant		
Municipal Sustainability Initiative Capital	8825	447,238
Municipal Sustainability Initiative Operating	8826	
Federal Gas Tax Fund	8827	1,098
Alberta Community Partnership- Intermunicipal Collaboration	8828	7,550
Alberta Community Partnership- Municipal Restructuring	8829	
Alberta Community Partnership- Mediation and Cooperative Processes	8830	
Alberta Community Partnership- Municipal Internship	8831	
Alberta Community Partnership- Local Land Use Planning	8832	
Alberta Community Partnership- Strategic Initiative	8833	
Alberta Community Partnership- Regional Collaboration Program	8834	
Other Grants	8835	
Total Restricted Cash	8865	455,886
Unrestricted Cash	8870	564,113
Accounts Receivable - Grants	8872	235,408
Deferred Revenue	8875	691,294
Deferred Revenue by Grant		
Municipal Sustainability Initiative Capital	8880	582,646
Municipal Sustainability Initiative Operating	8881	
Federal Gas Tax Fund	8882	101,098
Alberta Community Partnership- Intermunicipal Collaboration	8883	7,550
Alberta Community Partnership- Municipal Restructuring	8884	
Alberta Community Partnership- Mediation and Cooperative Processes	8885	
Alberta Community Partnership- Municipal Internship	8886	
Alberta Community Partnership- Local Land Use Planning	8887	
Alberta Community Partnership- Strategic Initiative	8888	
Alberta Community Partnership- Regional Collaboration Program	8889	
Other Grants	8890	
Total Deferred Revenue by Grant	8898	691,294
Other Deferred Revenue	8899	

EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Please ensure the Machinery and Equipment taxes has been recorded under Line 3950
Please ensure the Small Business tax has been recorded under Line 3965



SCASE & PARTNER

CHARTERED PROFESSIONAL ACCOUNTANTS

April 25, 2022

Village of Milo
Box 65
Milo Alberta
T0L 1L0

Re: Audit of 2021 Financial Statements

Dear Sirs:

1. AUDIT PROCESS

As auditors, we report to the stakeholders on the results of our examination of the Village's consolidated financial statements. This report summarizes our audit process and discusses issues that are of relevance to the Village council.

- Our audit was carried out in accordance with Canadian generally accepted auditing standards.
- Our audit procedures included a review of all significant accounting and management reporting systems.
- Each material year-end balance, key transaction and other event considered significant to the consolidated financial statements was separately examined.
- Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks.
 - This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise.
 - Our assessment was not, nor was it intended to be sufficient to conclude on the effectiveness or efficiency of internal controls.
- During the course of our audit, we have:
 - Examined on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
 - Assess the accounting principles used and significant estimates made by management;

- Obtained an understanding of the Village and its environment, including management's internal controls sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall consolidated financial statement presentation;
- Performed subsequent events review with management;
- Reviewed and assessed the status of contingencies and commitments;
- We have obtained written representation from management in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:
 - Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
 - Not directly related to items that are material to the consolidated financial statements, but are significant, either individual or in the aggregate, to the engagement; and,
 - Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

2. SIGNIFICANT AUDIT FINDINGS

AREAS OF AUDIT EMPHASIS

- The following lists the key areas of our audit emphasis for the Village
 - Tangible capital assets,
 - purchase and funding sources
 - amortization
 - Grants, both conditional and unconditional
 - deferred grant amounts
 - allocation to expenditures
 - Cash, investments, both current and long term and restricted funds.
 - analysis of total investment earned.
 - calculation of cash and investment that are restricted subject to approved projects completion.

FINAL MATERIALITY

- Final materiality used to assess the significance of misstatements or omissions identified during the audit and determine the level of audit testing performed was \$9,000. \$6,750 was used as a performance materiality for testing of balances and transactions of the Village.

DIFFICULTIES ENCOUNTERED

- We have satisfactorily completed our audit procedures for each of the significant account balances and transaction streams. No significant limitations were placed on the scope or timing of our audit.

IDENTIFIED OR SUSPECTED FRAUD

- No incidents of fraud, or suspected fraud, came to our attention in the course of our audit.

IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS

- The Village regularly corresponds with various regulators and authorities regarding compliance that arise in the normal course of business. The Village believes that any liabilities that might arise pertaining to such matters would not have a material effect on its consolidated financial position.
- Nothing has come to our attention that would suggest there is non-compliance with laws and regulations that would have a material effect on the consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies used by the Village are appropriate and have been consistently applied.

SIGNIFICANT MANAGEMENT ESTIMATES

- The preparation of the consolidated financial statements is subject to significant accounting estimates made by management. All significant managements estimates were reviewed for the current period and no material differences were noted.
 - Allowance for doubtful accounts – no provision was deemed necessary. Subsequent review of the accounts after the year end on outstanding accounts other than property taxes and utilities recorded receipts of payments supporting that position.
 - Provision for legal contingencies – no provision was deemed necessary.
 - Depreciation of period of property and equipment – amortization uses the straight-line method over the estimated useful life of the asset. Rates provided are consistent with those established by municipal affairs and reflect the expected life of the assets.
 - Management and administration are required to prepare budgets for the fiscal year. The budgets are based on estimates of revenues necessary to cover expenditures for the upcoming year, including the costs of servicing debt and provision for addition to reserves established to support and fund future events. The estimates used in the budget reflected the expected and actual results for the year ended 2020.

MODIFICATIONS TO THE INDEPENDENT AUDITORS' REPORT

- Our independent auditors' report will provide an unqualified opinion to the stakeholders.

INDEPENDENCE

- We confirm to council that we are independent of the Village of Milo.

3. AREAS OF AUDIT EMPHASIS

- Analysis of reserves, deferred revenues, deposits and restricted bank – restricted balances
 - We prepare a summary calculation of the analysis used to evaluate the support for the restricted balances which are the unused conditional grants at year end. In general, restricted balances are those amounts that are not available to administration for the funding of daily operations. Our analysis of the deferred and unused grants either received and forming part of the cash of the village or grants approved and not yet paid by the senior levels of government match the information provided by management.
- Variance reporting
 - From our examination of the expenditures, we look for an account or a group of common accounts where the variance is greater than 10% or \$10,000. From this approach we found specific accounts that did exceed that variance, however in the common group they were under the variance tolerance.
- General conditions of the records and information available to us during our audit was very good. We had at no time during our audit completion, any difficulty in finding documents we needed or answers for matters that we raised questions about.

4. SUMMARY OF DIFFERENCES

- We have prepared adjusting entries to be entered into the internal records of the Village for the year ended December 31, 2021. These have been provided to administration.

5. RECOMMENDATIONS

- There were certain accounts written off in 2022 in the amount of \$4,117.45 that were uncollectable and were part of the year end December 31, 2021. Our recommendation is that any writeoffs be supported in a resolution by council.

Yours truly
Scase & Partner, Chartered Professional Accountants



Darryl Scase, CPA