

TOWN OF MILLET
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

TOWN OF MILLET

DECEMBER 31, 2010

CONTENTS

	<u>Page</u>
MANAGEMENT'S REPORT	1
AUDITORS' REPORT	2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Schedule 1 - Schedule of Changes in Accumulated Surplus	7
Schedule 2 - Schedule of Tangible Capital Assets	8
Schedule 3 - Schedule of Property Taxes	9
Schedule 4 - Schedule of Government Transfers	10
Schedule 5 - Schedule of Consolidated Expenses by Object	11
Notes to Financial Statements	12 - 22

MANAGEMENT'S REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the Town of Millet.

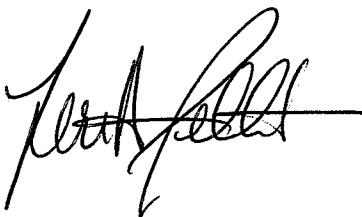
These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented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

The Town 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 the Town's assets are appropriately accounted for and adequately safeguarded.

The elected Council of the Town of Millet are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council meets annually 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. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Doyle & Company, Chartered Accountants, the external auditors, in accordance with generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Town. Doyle & Company has full and free access to the Town Council.



Chief Administrative Officer
April 27, 2011

Allan J. Grykuliak, C.A.*

Scott T. Mockford, C.A.*

* Operates as a Professional Corporation

11210 - 107 Avenue N.W. 2nd Flr

Edmonton, Alberta T5H 0Y1

Tel (780) 452-2300, Fax (780) 452-2335

AUDITORS' REPORT

To the Members of Council

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Town of Millet, which comprise the statement of financial position as at December 31, 2010 and the statements of operations, change in net financial assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

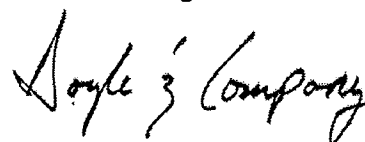
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Millet as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta

April 27, 2011




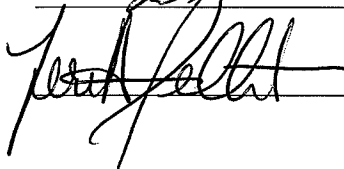
Chartered Accountants

TOWN OF MILLET
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	2,502,484	2,081,208
Accounts receivable:		
Taxes receivable (Note 3)	180,248	144,061
Receivables from other governments	57,372	-
Trade and other receivables	1,107,339	1,775,308
Land held for resale	91,378	42,529
	3,938,821	4,043,106
LIABILITIES		
Accounts payable and accrued liabilities	92,557	167,689
Deposit liabilities	68,751	58,980
Deferred revenue	2,342,600	2,501,429
Long-term debt (Note 4)	416,894	440,000
	2,920,802	3,168,098
NET FINANCIAL ASSETS	1,018,019	875,008
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	12,167,572	12,137,120
Inventory for consumption	18,769	32,028
Prepaid expenses	46,213	42,536
Deferred costs (Note 7)	7,601	1,455
Other non-financial assets	2,787	2,787
	12,242,942	12,215,926
ACCUMULATED SURPLUS (NOTE 9)	13,260,961	13,090,934

Approved by Council Resolution:

 _____ Mayor

 _____ Chief Administrative Officer

TOWN OF MILLET
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget (Unaudited) \$	2010 Actual \$	2009 Actual \$
REVENUES			
Net taxes available for municipal purposes (Sch. 3)	1,392,521	1,397,425	1,326,466
Sales, user charges and costs recovered:			
General administration and other	13,650	9,360	19,920
Fire and protective services	45,801	63,037	54,438
Water services	160,000	155,890	154,445
Wastewater services	150,000	162,765	147,040
Waste management	157,100	181,212	156,275
Public health and welfare	1,400	806	-
Planning and development	2,200	3,092	3,403
Recreation, parks and culture	8,800	14,564	15,683
Penalties and costs on taxes	51,000	57,416	46,801
Licenses, permits and fines	65,400	48,068	59,232
Franchise and concession contracts	114,479	139,463	103,514
Returns on investments	1,500	12,716	12,429
Rentals	144,102	146,799	150,359
Developer levies	-	11,509	967,682
Gain (loss) on sale of tangible capital assets	-	-	23,000
Federal government transfers (Schedule 4)	4,400	3,647	4,400
Provincial governments transfers (Schedule 4)	160,003	207,211	181,652
Local government transfers	45,650	55,908	71,246
TOTAL REVENUE	2,518,006	2,670,888	3,497,985
EXPENSES			
Legislative	101,286	91,971	81,245
Administrative	532,057	578,769	510,013
Fire, police, ambulance and bylaws enforcement	229,649	236,251	229,689
Roads, streets, walks, lighting and storm sewers	314,087	547,979	518,990
Water and wastewater	336,835	502,477	379,996
Waste management	134,482	144,952	134,232
Public health and welfare	63,022	57,322	57,079
Planning and development	142,950	136,106	153,231
Recreation, parks and culture	543,980	635,328	595,997
TOTAL EXPENSES	2,398,348	2,931,155	2,660,472
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE OTHER	119,658	(260,267)	837,513
OTHER			
Government transfers for capital (Schedule 4)	183,182	430,294	1,561,688
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	302,840	170,027	2,399,201
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,260,961	13,090,934	10,691,733
ACCUMULATED SURPLUS, END OF YEAR	13,563,801	13,260,961	13,090,934

The accompanying notes from part of the financial statements.

TOWN OF MILLET

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget (Unaudited) \$	2010 Actual \$	2009 Actual \$
EXCESS OF REVENUES OVER EXPENSES	302,840	170,027	2,399,201
Acquisition of tangible capital assets	-	(550,226)	(2,220,622)
Proceeds on disposal of tangible capital assets	-	-	23,000
Amortization of tangible capital assets	-	519,774	484,533
(Gain) loss on sale of tangible capital assets	-	-	(23,000)
	-	(30,452)	(1,736,089)
Acquisition of prepaid assets	-	(46,213)	(42,536)
Acquisition of deferred costs	-	(8,833)	-
Use of supplies inventories	-	13,259	6,952
Use of prepaid assets	-	42,536	61,933
Use of deferred costs	-	-	41,963
Use of other assets	-	2,687	-
	-	3,436	68,312
INCREASE (DECREASE) IN NET ASSETS	302,840	143,011	731,424
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,018,019	875,008	143,584
NET FINANCIAL ASSETS, END OF YEAR	1,320,859	1,018,019	875,008

The accompanying notes from part of the financial statements.

TOWN OF MILLET
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
	\$	\$
OPERATING ACTIVITIES		
Amount received from residents, customers and other governments	3,516,763	4,100,197
Amount paid to vendors, suppliers and other governments	(1,513,434)	(1,313,516)
Amount paid to employees	(997,191)	(807,429)
Interest received	12,716	12,429
Interest paid on long-term debt	(24,246)	(25,601)
Loss (gain) on disposal of tangible capital assets	-	(23,000)
	994,608	1,943,080
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(550,226)	(2,220,622)
Proceeds on sale of tangible capital assets	-	23,000
	(550,226)	(2,197,622)
FINANCING ACTIVITIES		
Repayment of long-term debt	(23,106)	(25,468)
NET CHANGE TO CASH	421,276	(280,010)
CASH - BEGINNING OF YEAR	2,081,208	2,361,218
CASH - END OF YEAR	2,502,484	2,081,208

The accompanying notes from part of the financial statements.

TOWN OF MILLET
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS - SCHEDULE 1
FOR THE YEAR ENDED DECEMBER 31, 2010

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010 \$	2009 \$
Balance, Beginning of Year	594,403	799,411	11,697,120	13,090,934	10,691,733
Excess (deficiency) of revenue over expenses	170,027	-	-	170,027	2,399,201
Unrestricted funds designated for future use	(509,788)	509,788	-	-	-
Current years funds used for tangible capital assets	(550,226)	-	550,226	-	-
Annual amortization expenses	519,774	-	(519,774)	-	-
Long-term liabilities repaid	(23,106)	-	23,106	-	-
Change in accumulated surplus	(393,319)	509,788	53,558	170,027	2,399,201
Balance, End of Year	201,084	1,309,199	11,750,678	13,260,961	13,090,934

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, 2010

	2010		2009				
	Land & Land Improvements	Buildings	Engineering Structures	Machinery and Equipment	Vehicles	\$	\$
COST:							
Balance, Beginning of Year	1,739,780	2,648,483	13,446,740	1,280,138	1,174,972	20,290,113	18,124,491
Acquisition of tangible capital assets	4,396	-	302,397	-	243,433	550,226	2,220,622
Disposal of tangible capital assets	-	-	-	-	-	-	(55,000)
Balance, End of Year	1,744,176	2,648,483	13,749,137	1,280,138	1,418,405	20,840,339	20,290,113
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	598,255	1,299,044	4,816,408	447,634	991,652	8,152,993	7,723,460
Annual amortization	16,395	50,154	357,141	75,920	20,164	519,774	484,533
Accumulated amortization on disposals	-	-	-	-	-	-	(55,000)
Balance, End of Year	614,650	1,349,198	5,173,549	523,554	1,011,816	8,672,767	8,152,993
NET BOOK VALUE	1,129,526	1,299,285	8,575,588	756,584	406,589	12,167,572	12,137,120

The accompanying notes form part of the financial statements.

TOWN OF MILLET
SCHEDULE OF PROPERTY TAXES - SCHEDULE 3
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
	\$	\$	\$
TAXATION			
Real property taxes - residential	1,717,883	1,722,434	1,640,389
- non-residential	169,038	168,672	159,192
Linear property taxes	43,674	43,669	41,894
Provincial and Federal grants in lieu of property taxes	6,357	7,081	5,673
Special assessments and local improvements	-	-	2,920
	1,936,952	1,941,856	1,850,068
REQUISITIONS			
Alberta School Foundation Fund	507,887	507,887	486,987
Seniors' Homes & Community Housing Foundation	36,544	36,544	36,615
	544,431	544,431	523,602
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES			
	1,392,521	1,397,425	1,326,466

The accompanying notes from part of the financial statements.

TOWN OF MILLET

SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget (Unaudited) \$	2010 \$	2009 \$
TRANSFER FOR OPERATING			
Provincial Government	160,003	207,211	181,652
Federal Government	4,400	3,647	4,400
	164,403	210,858	186,052
TRANSFERS FOR CAPITAL			
Provincial Government	148,200	400,312	885,870
Federal Government	34,982	29,982	675,818
	183,182	430,294	1,561,688
TOTAL GOVERNMENT TRANSFER	347,585	641,152	1,747,740

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, 2010

	2010 Budget (Unaudited) \$	2010 Actual \$	2009 Actual \$
EXPENSES			
Salaries, wages and benefits	1,000,610	997,191	807,429
Contracted and general services	600,323	611,032	674,414
Materials, goods, supplies and utilities	667,386	675,939	566,617
Provision for allowances	5,100	5,428	9,504
Transfers to other governments	5,000	5,000	5,000
Transfers to local boards, individuals & organizations	92,683	88,797	83,678
Bank charges and short-term interest	3,000	3,748	3,696
Interest on long-term debt	24,246	24,246	25,601
Amortization	-	519,774	484,533
TOTAL EXPENSES	2,398,348	2,931,155	2,660,472

The accompanying notes from part of the financial statements.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Millet are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Significant aspects of these accounting policies adopted by the Town of Millet are as follows:

(a) Reporting Entity

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

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

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Fund Accounting

Management funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as an adjustment to the appropriate equity account. Proceeds from land sales are recorded as operating fund revenues.

(c) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenue in the period that the event giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(d) Taxes Receivable

Taxes receivable consists of tax levies which remain outstanding at December 31, 2010.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES *continued*

(e) Inventories

Inventories of consumable supplies is 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.

(f) 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.

(g) 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 for the year.

(h) 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.

(i) Investments

Investments are recorded at cost.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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) 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) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of 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.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES continued

(l) Over-levies and Under-levies

Over-levies and under-levies arise from the difference between actual 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.

2. CASH AND TEMPORARY INVESTMENTS

	2010	2009
	\$	\$
Cash	183,734	492,448
T Bill Savings	2,318,750	1,588,760
	2,502,484	2,081,208

T Bill Savings consist of several individual ATB Financial deposits that can be withdrawn at any time.

3. TAXES RECEIVABLE

	2010	2009
	\$	\$
Current:		
Current taxes	120,028	104,929
Non-current:		
Tax arrears	60,220	39,132
	180,248	144,061

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

4. LONG-TERM DEBT

	2010	2009
	\$	\$
Long-term debt consists of the following:		
Tax supported debentures	191,826	206,600
Self-supported debentures	225,068	233,400
	416,894	440,000

Interest paid on long-term debt for the year amounted to \$24,246.

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

	Principal	Interest	Total
	\$	\$	\$
2011	24,446	22,906	47,352
2012	25,868	21,486	47,354
2013	27,368	19,984	47,352
2014	28,959	18,393	47,352
2015	30,644	16,708	47,352
Thereafter	279,609	77,516	357,125
	416,894	176,993	593,887

Debenture debt, repayable to Alberta Capital Finance Authority, bears interest at rates ranging from 4.893% to 6.625% 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, 2010

5. TANGIBLE CAPITAL ASSETS

Net book value of tangible capital assets is as follows:

	2010	2009
	\$	\$
Land and Land Improvements		
Land	955,818	955,818
Land Improvements	173,709	185,707
	1,129,527	1,141,525
Buildings	1,299,285	1,349,439
Engineering Structures:		
Roads	2,571,189	2,648,344
Curbs, Gutters, Signs, Sidewalks	367,089	381,773
Storm Sewer	624,945	635,242
Water Systems	2,078,077	2,071,276
Sewer Systems	2,934,072	2,893,697
	8,575,372	8,630,332
Machinery Equipment and Furniture	997,725	832,504
Vehicles	165,663	183,320
	12,167,572	12,137,120

6. EQUITY IN CAPITAL ASSETS

	2010	2009
	\$	\$
Capital assets (Schedule 2)	20,840,339	20,290,113
Accumulated amortization (Schedule 2)	(8,672,767)	(8,152,993)
Long term debt (Note 4)	(416,894)	(440,000)
	11,750,678	11,697,120

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

7. DEFERRED COSTS

	2010	2009
	\$	\$
Prepaid administration costs	7,601	1,455
Prepaid capital expenditures	-	-
	7,601	1,455

8. TRUST FUNDS

The Town of Millet holds the following funds in trust:

	2010	2009
	\$	\$
Cemetery Perpetual Care Reserve		
Balance - beginning of year	32,388	31,194
Interest	1,194	1,194
Balance - end of year	33,582	32,388

TOWN OF MILLET

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

9. ACCUMULATED SURPLUS

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

	2010	2009
	\$	\$
Unrestricted surplus	201,084	594,403
Restricted surplus:		
Operating reserves		
General Operating	70,969	70,969
Crime Reward Reserve	2,000	2,000
Transportation Reserve	1,429	1,429
Utility/Insurable Reserve	80,828	80,828
Cemetery Maintenance Reserve	2,000	2,000
Recreation - Land Sale Reserve	41,372	41,372
	198,598	198,598
Capital reserves		
General	562,321	182,809
Street Improvement Program	49,081	49,081
Water Offsite Reserve	125,344	119,832
Sewer Offsite Reserve	35,982	29,985
Tennis Court	1,558	1,558
Capital Equipment Replacement	235,166	179,553
Major Facility	42,817	9,314
Agriplex	57,651	28,000
Other	681	681
	1,110,601	600,813
Total restricted surplus	1,309,199	799,411
Equity in tangible capital assets (Note 6)	11,750,678	11,697,120
	13,260,961	13,090,934

TOWN OF MILLET

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

10. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by regulation for the Town of Millet be disclosed as follow:

	2010	2009
	\$	\$
Total Debt Limit	4,006,332	5,246,978
Total Debt	416,894	440,000
Debt Limit Available	3,589,438	4,806,978
Debt Service Limit	667,722	874,496
Debt Service (Note 4)	47,352	47,352
Debt Service Limit Available	620,370	827,144

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, 2010

11. SALARY AND BENEFITS DISCLOSURE

	2010			2009	
	# of months	Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
	Mayor - Dave Gursky	10	10,850	1,359	12,209
Mayor - Rob Lorensen	2	1,950	77	2,027	-
Councilors:					
Eleanor Pydde	12	9,500	598	10,098	10,070
Robert Lorensen	10	6,500	-	6,500	8,318
Rita Hutzul	10	6,500	-	6,500	9,500
Myrna LaLande	12	8,350	66	8,416	7,800
Jane Poohkay- Johnstone	10	7,100	129	7,229	9,400
Anthony Wadsworth	12	7,800	-	7,800	6,818
Pat Garrett	2	1,500	111	1,611	-
Mike Storey	2	1,700	148	1,848	-
Ron Buchaski	2	1,650	114	1,764	-
Chief Administrative Officer:					
Teri-Ann Pelletier	12	84,803	16,443	101,246	-
Ryan Maier	-	-	-	-	104,556

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, severance pay, gross honoraria and any other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including RRSP contributions, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition.

TOWN OF MILLET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

13. EQUIPMENT LEASE COMMITMENTS

The Town of Millet rents photocopier equipment under a lease which expires September, 2013. The monthly rental commitment under this lease arrangement is approximately \$389. Therefore, the total commitment under the remaining term of the lease is approximately \$17,116.

14. CONTINGENCIES

The Millet and District Lion's Club has issued a demand against the Town of Millet claiming \$378,370 plus costs and interest, alleging the Town has breached a lease agreement. The amount and likelihood of loss can not be determined at this time.

15. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and temporary investments, receivables, accounts payable and accrued liabilities, deposit liabilities 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

16. APPROVAL OF FINANCIAL STATEMENTS

Mayor and council have approved these financial statements.

17. BUDGET FIGURES

The 2010 budget figures which appear in these financial statements have not been audited.