

**VILLAGE OF BOYLE**  
**Financial Statements**  
**Year Ended December 31, 2020**

**VILLAGE OF BOYLE**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management of the Village of Boyle is responsible for the preparation, accuracy, objectivity and integrity of of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Village's financial position as at December 31, 2020 and the results of its operations for the year then ended.

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

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

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

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

The Village Council carries out its responsibilities for review of the financial statements principally through its Council Meetings. This Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

The financial statements have been audited by Friesen Viney Stasiuk, Chartered Professional Accountants, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.



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Chief Administrative Officer

April 21, 2021

Boyle, Alberta



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Assistant Chief Administrative Officer

April 21, 2021

Boyle, Alberta

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## INDEPENDENT AUDITOR'S REPORT

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To the Council of the Village of Boyle

### *Opinion*

We have audited the financial statements of the Village of Boyle (the Village), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village Of Boyle as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *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 Boyle in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Village Of Boyle'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 Of Boyle or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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Independent Auditor's Report to the Members of Village of Boyle (continued)

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

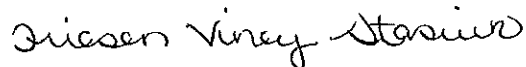
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Of Boyle'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 Of Boyle's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village Of Boyle to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

Debt Limit Regulation: In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 6.

The engagement partner on the audit resulting in this independent auditor's report is Kendra Stasiuk, CPA, CA.



Westlock, Alberta  
April 21, 2021

FRIESEN VINEY STASIUK  
CHARTERED PROFESSIONAL ACCOUNTANTS



**VILLAGE OF BOYLE**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 3,532,212	\$ 4,529,266
Taxes and grants in place of taxes <i>(Note 3)</i>	217,524	140,360
Trade and other receivables <i>(Note 4)</i>	1,207,041	875,081
Land for resale inventory	1	1
Investments <i>(Note 5)</i>	32,792	32,792
	<u>\$ 4,989,570</u>	<u>\$ 5,577,500</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 132,128	\$ 87,366
Deferred revenue <i>(Note 6)</i>	330,900	1,261,634
Long term debt <i>(Note 7)</i>	3,076,608	3,159,156
	<u>3,539,636</u>	<u>4,508,156</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,449,934</u>	<u>1,069,344</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	13,838,735	13,058,454
Inventory for consumption	42,756	22,836
Prepaid expenses	25,402	16,797
	<u>13,906,893</u>	<u>13,098,087</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 15,356,827</u>	<u>\$ 14,167,431</u>
CONTINGENCIES <i>(Note 16)</i>		
COMMITMENTS <i>(Note 17)</i>		

**VILLAGE OF BOYLE**  
**Statement of Operations**  
**Year Ended December 31, 2020**

	Budget ( <i>unaudited</i> )	2020	2019
<b>REVENUE</b>			
Net municipal taxes( <i>Schedule 3</i> )	\$ 1,086,526	\$ 1,071,779	\$ 1,066,515
User fees and sales of goods	1,550,500	1,545,330	1,524,046
Government transfers for operating( <i>Schedule 4</i> )	279,672	282,418	236,430
Rental revenue	149,140	113,868	145,348
Franchise revenue	101,550	86,065	57,641
Penalties and costs of taxes	77,200	48,829	55,789
Investment income	66,510	59,054	70,340
Licenses and permits	8,200	7,842	7,901
Other	40,000	53,635	61,984
<b>Total Operating Revenue</b>	<b>3,359,298</b>	<b>3,268,820</b>	<b>3,225,994</b>
<b>EXPENSES</b>			
Legislative	169,480	131,983	141,901
Administration	404,306	464,168	450,386
Protective services	135,234	108,348	102,644
Roads, streets, walks, lighting	659,815	547,586	537,049
Water supply and distribution	516,190	508,213	522,843
Wastewater treatment and disposal	66,629	60,231	51,464
Waste management	154,538	152,767	151,212
Family and community support	11,820	11,817	11,255
Land use planning, zoning and development	70,905	64,451	66,413
Subdivision land development	72,196	78,782	71,508
Parks and recreation	440,815	371,718	437,183
Gas	433,268	376,540	357,984
Amortization of tangible capital assets	543,809	563,388	543,809
<b>Total Operating Expenses</b>	<b>3,679,005</b>	<b>3,439,992</b>	<b>3,445,651</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(319,707)</b>	<b>(171,172)</b>	<b>(219,657)</b>
<b>CAPITAL INCOME</b>			
Government transfer for capital	1,953,439	1,341,694	-
Donations	15,000	18,874	-
	<b>1,968,439</b>	<b>1,360,568</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>1,648,732</b>	<b>1,189,396</b>	<b>(219,657)</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>14,167,431</b>	<b>14,167,431</b>	<b>14,387,088</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 15,816,163</b>	<b>\$ 15,356,827</b>	<b>\$ 14,167,431</b>

**VILLAGE OF BOYLE**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2020**

	Budget <i>(Unaudited)</i>	2020	2019
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	\$ 1,648,732	\$ 1,189,396	\$ (219,657)
Acquisition of tangible capital assets	(2,112,688)	(1,546,169)	(137,287)
Proceeds on disposal of tangible capital assets	13,000	173,571	-
Amortization of tangible capital assets	543,809	563,388	543,809
Gain/loss on disposal of tangible capital assets	-	28,929	-
	<u>(1,555,879)</u>	<u>(780,281)</u>	<u>406,522</u>
(Acquisition) disposal of inventory	-	(19,920)	1,137
(Acquisition) disposal of prepaid expenses	-	(8,605)	1,253
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	92,853	380,590	189,255
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>1,069,344</u>	<u>1,069,344</u>	<u>880,089</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 1,162,197</u>	<u>\$ 1,449,934</u>	<u>\$ 1,069,344</u>



**VILLAGE OF BOYLE**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 1,189,396	\$ (219,657)
Items not affecting cash:		
Amortization of tangible capital assets	563,388	543,809
Loss (gain) on disposal of tangible capital assets	28,929	-
	<u>1,781,713</u>	<u>324,152</u>
Changes in non-cash working capital:		
Taxes and grants in place of taxes	(77,164)	(76,598)
Trade and other receivables	(331,960)	266,129
Accounts payable and accrued liabilities	44,762	37,191
Deferred revenue	(930,734)	493,000
Inventory for consumption	(19,920)	1,137
Prepaid expenses	(8,605)	1,253
	<u>(1,323,621)</u>	<u>722,112</u>
Cash flow from operating activities	<u>458,092</u>	<u>1,046,264</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(1,546,169)	(137,287)
Proceeds on disposal of tangible capital assets	173,571	-
	<u>(1,372,598)</u>	<u>(137,287)</u>
Cash flow used by investing activities	<u>(1,372,598)</u>	<u>(137,287)</u>
<b>FINANCING ACTIVITY</b>		
Long term debt issued (repaid)	(82,548)	(160,026)
<b>Net change in cash and cash equivalents during the year</b>	<b>(997,054)</b>	<b>748,951</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>4,529,266</u></b>	<b><u>3,780,315</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 3,532,212</u></b>	<b><u>\$ 4,529,266</u></b>

**VILLAGE OF BOYLE**  
**Schedule of Changes in Accumulated Surplus** (Schedule 1)  
**Year Ended December 31, 2020**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2020	Total 2019
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 2,921,506	\$ 1,346,627	\$ 9,899,298	\$ 14,167,431	\$ 14,387,088
Excess (deficiency) of revenues over expenses	1,189,396	-	-	1,189,396	(219,657)
Unrestricted funds designated for future use	(160,628)	160,628	-	-	-
Restricted funds used for tangible capital assets	-	(131,790)	131,790	-	-
Current year funds used for tangible capital assets	(1,414,379)	-	1,414,379	-	-
Disposal of tangible capital assets	202,500	-	(202,500)	-	-
Annual amortization expense	563,388	-	(563,388)	-	-
Long term debt repaid	(82,548)	-	82,548	-	-
<b>BALANCE, END OF YEAR</b>	\$ 3,219,235	\$ 1,375,465	\$ 10,762,127	\$ 15,356,827	\$ 14,167,431

**VILLAGE OF BOYLE**  
**Schedule of Tangible Capital Assets**  
**(Schedule 2)**  
**Year Ended December 31, 2020**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2020	2019
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 1,464,395	\$ 979,423	\$ 17,659,780	\$ 14,861,677	\$ 1,357,200	\$ 627,407	\$ 36,949,882	\$ 36,812,595
Acquisitions	-	-	9,240	1,208,422	116,548	211,959	1,546,169	137,287
Disposals	-	-	(225,000)	-	(50,000)	(59,375)	(334,375)	-
BALANCE, END OF YEAR	1,464,395	979,423	17,444,020	16,070,099	1,423,748	779,991	38,161,676	36,949,882
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	-	10,074,164	11,370,907	1,324,072	490,892	23,891,428	23,347,619
Annual amortization	-	29,377	341,442	131,677	19,686	41,206	563,388	543,809
Accumulated amortization on disposals	-	-	(22,500)	-	(50,000)	(59,375)	(131,875)	-
BALANCE, END OF YEAR	-	660,770	10,393,106	11,502,584	1,293,758	472,723	24,322,941	23,891,428
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 1,464,395	\$ 318,653	\$ 7,050,914	\$ 4,567,515	\$ 129,990	\$ 307,268	\$ 13,838,735	\$ 13,058,454

**VILLAGE OF BOYLE**  
**Schedule of Property and Other Taxes**  
**Year Ended December 31, 2020**

*(Schedule 3)*

	Budget (Unaudited)	2020	2019
<b>TAXATION</b>			
Residential land and improvements	\$ 807,318	\$ 805,684	\$ 800,957
Non residential land and improvements	272,824	274,281	280,770
Linear property	179,075	169,179	181,409
Machinery and equipment	79,532	84,459	88,125
Government grants in place of property taxes	21,823	19,135	19,784
	<u>1,360,572</u>	<u>1,352,738</u>	<u>1,371,045</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	263,678	263,731	274,899
Greater North Foundation	9,668	17,228	29,631
Designated Industrial Property	700	-	-
	<u>274,046</u>	<u>280,959</u>	<u>304,530</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 1,086,526</u>	<u>\$ 1,071,779</u>	<u>\$ 1,066,515</u>

**VILLAGE OF BOYLE**  
**Schedule of Government Transfers**  
**Year Ended December 31, 2020**

*(Schedule 4)*

	Budget (Unaudited)	2020	2019
<b>TRANSFERS FOR OPERATING:</b>			
Federal Government	\$ -	\$ 8,400	\$ -
Provincial Government	150,472	160,717	103,717
Local Government and other	129,200	113,301	132,713
	<u>279,672</u>	<u>282,418</u>	<u>236,430</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Federal government	110,000	124,032	-
Provincial government	1,843,439	1,217,662	-
Donations	15,000	18,874	-
Other local group	-	-	-
	<u>1,968,439</u>	<u>1,360,568</u>	<u>-</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 2,248,111</u>	<u>\$ 1,642,986</u>	<u>\$ 236,430</u>

**VILLAGE OF BOYLE**  
**Schedule of Expenses by Object**  
**Year Ended December 31, 2020**

*(Schedule 5)*

	Budget (Unaudited)	2020	2019
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 1,048,823	\$ 901,136	\$ 1,022,048
Contracted and general services	426,130	427,196	393,215
Materials, goods, supplies and utilities	782,923	620,870	618,785
Purchases from other governments	627,842	623,322	616,731
Transfer to other boards	137,251	130,137	125,732
Interest on long term debt	90,547	105,186	107,194
Grants to other organizations	12,000	12,000	13,050
Other	9,680	56,757	5,088
Amortization on tangible capital assets	543,809	563,388	543,809
	<u>\$ 3,679,005</u>	<u>\$ 3,439,992</u>	<u>\$ 3,445,652</u>

**VILLAGE OF BOYLE**  
**Schedule of Segmented Disclosure**  
**Year Ended December 31, 2020**

(Schedule 6)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Gas	Other	2020
<b>REVENUE:</b>									
Net municipal taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,071,779	\$ 1,071,779
Government transfers	98,616	-	1,377,905	7,215	140,376	-	-	-	1,624,112
User fees and sales of goods	4,897	70,191	400	-	4,178	945,040	517,824	-	1,545,330
Investment income	59,054	-	-	-	-	-	-	-	59,054
Rental revenue	1,500	15,000	4,267	70,634	22,467	-	-	-	113,868
Other revenues	46,240	20,233	109,220	4,768	17,898	5,956	10,930	-	215,245
	210,107	105,424	1,491,792	82,617	184,919	953,996	528,754	1,071,779	4,629,388
<b>EXPENSES:</b>									
Contract & general services	138,927	20,629	32,106	5,505	66,827	118,605	44,597	-	427,196
Salaries & wages	244,022	46,797	284,710	64,815	105,778	82,799	72,115	-	901,136
Goods & supplies	39,258	40,921	228,161	50,862	165,686	79,141	17,141	-	620,870
Purchases from other	-	-	-	-	-	380,636	242,686	-	623,322
Grants to other	12,000	-	-	22,252	33,428	62,640	-	11,817	142,137
Other expenses	161,943	-	-	-	-	-	-	-	161,943
	596,150	108,347	544,977	143,234	371,719	723,821	376,539	11,817	2,876,604
<b>NET REVENUE, BEFORE AMORTIZATION</b>	(386,043)	(2,923)	946,815	(60,617)	(186,800)	230,175	152,215	1,069,962	1,752,784
Amortization expense	161,742	46,134	54,415	-	190,515	72,037	38,544	-	563,388
<b>NET REVENUE</b>	\$(547,785)	\$(49,057)	\$ 892,389	\$(60,617)	\$(377,315)	\$ 158,138	\$ 113,671	\$ 1,059,962	\$ 1,189,396



**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Village of Boyle are the representations of management prepared in accordance with generally accepted accounting principles 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 of Boyle 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. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village of Boyle and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources.

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. Interdepartmental and organizational transactions and balances are eliminated.

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) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure 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.

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**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Financial instruments policy

*Initial and subsequent measurement*

The Village initially measures its financial assets and liabilities at fair value. Subsequent measurement of all financial assets and liabilities is at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash, taxes and grants in place of taxes, and trade and other receivables.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

*Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transactions costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the assets or liability and recognized in net income over the life of the instrument using the straight-line method.

*Impairment*

For financial assets measured at cost or amortized cost, the Village determines whether there are indications for possible impairment. When there is an indication of impairment, and the Village determines that a significant adverse change has occurred during the period in the expected timing or amount of futures cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvements. The carrying amount of the financial assets may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets are reported at amortized costs, and tested for impairment at each reporting date. Transactions costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

e) Cash and temporary investments

Cash consists of cash on hand and cash kept in the bank accounts of the Village.

f) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

*(continues)*

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**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

g) Inventories for Resale

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 levelling charges. 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.

h) 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.

i) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Village of Boyle is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

j) 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.

*(continues)*

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**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) 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 Change in Net Financial Assets 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 assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15 to 20 years	straight-line method
Buildings	20 to 40 years	straight-line method
Engineered structures	25 to 50 years	straight-line method
Machinery and equipment	5 to 25 years	straight-line method
Vehicles	10 to 20 years	straight-line method

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 are also recorded as revenue.

**iii. 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 expense as incurred.

**iv. Inventories**

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

**v. Cultural and Historical Tangible Capital Assets**

Works of art for display are not recorded as tangible capital assets.

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**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**2. CASH AND TEMPORARY INVESTMENTS**

	2020	2019
Cash and temporary investments	<b>\$ 3,532,212</b>	<b>\$ 4,529,266</b>

Council has designated \$1,375,465 (2019 - \$1,346,627) of cash for future operating and capital reserves.

Included in cash and temporary investments is a restricted amount of \$330,900 (2019 - \$1,261,634) received from the provincial government and others, held exclusively for a variety of capital and operating projects.

The Village does not have any temporary investments at December 31, 2020.

**3. TAXES AND GRANTS IN PLACE OF TAXES**

	2020	2019
Taxes and grants in place of taxes	<b>\$ 97,756</b>	<b>\$ 107,432</b>
Property taxes - arrears	<b>119,768</b>	<b>32,928</b>
	<b>\$ 217,524</b>	<b>\$ 140,360</b>

**4. TRADE AND OTHER RECEIVABLES**

	2020	2019
Receivables from other governments	<b>\$ 842,918</b>	<b>\$ 518,266</b>
Trade accounts receivable	<b>187,670</b>	<b>186,649</b>
Utilities receivable	<b>176,452</b>	<b>170,166</b>
	<b>\$ 1,207,040</b>	<b>\$ 875,081</b>

**5. INVESTMENTS**

	2020	2019
Gas Alberta - Debenture Receivable	<b>\$ 32,500</b>	<b>\$ 32,500</b>
Gas Alberta - Class A Shares	<b>105</b>	<b>105</b>
Subtotal	<b>32,605</b>	<b>32,605</b>
Other investment	<b>187</b>	<b>187</b>
	<b>\$ 32,792</b>	<b>\$ 32,792</b>

The Village of Boyle has signed an agreement with Gas Alberta Inc. to exclusively buy natural gas from Gas Alberta Inc. The Village was required to invest in common shares and provide a loan to assist with initial operating capital. The loan is secured by a debenture and is non-interest bearing.

**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

6. DEFERRED REVENUE

	2020	2019
Municipal Sustainability Initiative - Capital	\$ 81,520	\$ 1,027,622
Federal Gas Tax Fund Grant	134,681	205,801
Municipal Stimulus Program	109,954	-
Other non-government	4,745	28,211
	\$ 330,900	\$ 1,261,634

Funding in the amount of \$282,191 was allocated in the current year from the Municipal Sustainability Initiative, of which \$81,520 remains unused. The total received is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement. It is anticipated that these funds will be used in 2021.

Funding in the amount of \$52,912 was allocated in the current year from the Federal Gas Tax Fund Grant. In addition, \$81,769 remains unused from previous years. These funds are restricted to eligible capital projects, as approved under the funding agreement. It is anticipated that these funds will be used in 2021.

Funding in the amount of \$109,954 was received in the current year from the Municipal Stimulus Program to provide additional capital infrastructure funding with the primary objective to sustain and create local jobs. This funding has been allocated to a capital project scheduled for completion in 2021.

7. LONG TERM DEBT

	2020	2019
Tax supported debentures	\$ 3,076,608	\$ 3,159,156

Principal and interest repayment terms are as follows:

2021	\$ 85,149	\$ 95,545	\$ 180,694
2022	87,833	92,861	180,694
2023	90,601	90,093	180,694
2024	93,456	87,238	180,694
2025	96,401	84,293	180,694
Thereafter	2,623,168	900,374	3,523,542
	\$ 3,076,608	\$ 1,350,404	\$ 4,427,012

The current portion of the long-term debt amounts to \$85,149 (2019 - \$82,548).

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at a rate of 3.127% per annum and matures January 15, 2045.

Interest on long term debt amounted to \$98,147 (2019 - \$101,655).

**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**8. DEBT LIMITS**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town of Legal be disclosed as follows:

	2020	2019
Total debt limit	\$ 4,903,230	\$ 4,838,991
Total debt	3,076,608	3,159,156
Amount of debt limit unused	1,826,622	1,679,835
Debt servicing limit	817,205	806,499
Debt servicing	180,694	180,695
Amount of debt servicing limit unused	\$ 636,511	\$ 625,804

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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.

**9. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2020	2019
Tangible capital assets ( <i>Schedule 2</i> )	\$ 38,161,676	\$ 36,949,882
Accumulated amortization ( <i>Schedule 2</i> )	(24,322,941)	(23,891,428)
Long term debt ( <i>Note 7</i> )	(3,076,608)	(3,159,156)
	\$ 10,762,127	\$ 9,899,298

**10. ACCUMULATED SURPLUS**

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

	2020	2019
Unrestricted surplus	\$ 3,219,235	\$ 2,921,506
Restricted surplus		
Utility Reserves (incl. gas)	914,376	880,245
Recreation Reserves	130,942	130,942
Public Works Reserves (incl. roads)	260,401	176,904
Other Reserves	69,746	158,536
Equity in tangible capital assets	10,762,127	9,899,298
	\$ 15,356,827	\$ 14,167,431



**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**11. SALARY AND BENEFITS DISCLOSURE**

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

	Salary/ Contract Cost <sup>1</sup>	Benefits & allowances <sup>2</sup>	2020 Total	2019 Total
<b>Councillors:</b>				
Antal	\$ 12,370	\$ 4,857	\$ 17,227	\$ 16,687
Ferguson	12,630	4,957	17,587	19,995
Kiteley	14,825	5,157	19,982	20,767
Smith	19,210	4,957	24,167	31,100
<b>Mayor: Derko</b>				
	23,560	5,007	28,567	29,309
CAO: Ashbey	13,082	2,076	15,158	112,475
Interim CAO: Jorgensen	101,333	9,473	110,806	22,846
Designated Officers (5)	128,577	16,355	144,932	-
	<b>\$ 325,587</b>	<b>\$ 52,839</b>	<b>\$ 378,426</b>	<b>\$ 253,179</b>

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.

**12. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Village of Boyle participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Village of Boyle is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Village of Boyle are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the Village of Boyle to the LAPP in 2020 were \$42,402 (2019 - \$59,732). Total current service contributions by the employees of the Village of Boyle to LAPP in 2020 were \$38,186 (2019 - \$53,938).

At December 31, 2019, the LAPP disclosed an actuarial surplus of \$7.9 billion.

**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**13. FINANCIAL INSTRUMENTS**

The Village is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Village's risk exposure and concentration as of December 31, 2020.

*(a) Credit Risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Village is exposed to credit risk from customers. In order to reduce its credit risk, the Village utilizes sound collection policies. The Village has a significant number of customers which minimizes concentration of credit risk.

*(b) Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Village is exposed to this risk mainly in respect of its receipts of funds from its customers and other related sources, and the ability to pay its accounts payable amounts as they come due.

Unless otherwise noted, it is management's opinion that the Village is not exposed to significant other price risks arising from these financial instruments.

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**14. SEGMENTED DISCLOSURE**

The Village of Boyle 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.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

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**15. CONTAMINATED SITES LIABILITY**

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities in 2020 (2019-nil) as a result of this standard.

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**16. CONTINGENCIES**

The Village of Boyle is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village of Boyle 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.

The Village of Boyle is a member of the Joint Modified Landfill Committee. Under the terms of this agreement, the Village is liable for its proportionate share of closure and post-closure costs associated with the landfill. The Committee has established a reserve for landfill closure and post-closure costs and plans to fund this reserve annually. When the landfill reaches capacity, the Village of Boyle may become liable for its proportionate share of the actual closure and post-closure costs should they exceed the reserve established by the Committee. Due to the uncertainty surrounding this potential liability and since the closure and post-closure costs are not determinable at this time, no amount has been recorded in the financial statements to reflect this contingency.

The Village has access to a bank line of credit with a limit of \$840,000 and a credit card with a \$10,000 limit.

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**VILLAGE OF BOYLE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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17. COMMITMENTS

In March 2020, the Village entered into a lease agreement for a photocopier. The lease term is 66 months with quarterly payments of \$899. In January 2018, the Village entered into a lease agreement for a postage machine. The lease term is 60 months with monthly payments of \$156. Both leases have been classified as an operating lease for financial statement purposes.

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18. LEGAL MATTERS

The Village of Boyle has been named in a lawsuit where another municipality is the principal defendant. The suit seeks damages of \$600,000 total from both defendants. It is unclear at this time what the legal liability for the Village is.

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19. EXTRAORDINARY EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at December 31, 2020, the Village of Boyle is aware of changes in its operations as a result of the COVID-19 crisis.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Village of Boyle's operations as at the date of these financial statements.

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20. SUBSEQUENT EVENTS

Subsequent to year-end, the Village upgraded the street lights. This capital project was funded by the deferred Municipal Stimulus Program funding.

As a member of the Regional Water Commission, the Village has been advised that they will be liable for a portion of a capital project that has been tendered. Currently, the amount of this liability is \$400,000.

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21. BUDGET FIGURES

Budget figures are included for information purposes only and are not audited.

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22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

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