

TOWN OF HEPBURN
Consolidated Financial Statements
Year Ended December 31, 2019

TOWN OF HEPBURN
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Year Ended December 31, 2019

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Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Grant Thornton LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.



Amanda Peters, Administrator



Mr. Jeff Peters, Mayor

Hepburn, SK

Date: May 29, 2020

INDEPENDENT AUDITOR'S REPORT

To the Council of the Town of Hepburn

Opinion

We have audited the consolidated financial statements of the Town of Hepburn (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and the results of its operations 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 Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Supplemental Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 1, 2, 3, 7, 9 and 10 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Predecessor auditor

The consolidated financial statements of the Town of Hepburn for the year ended December 31, 2018, were audited by Cogent Chartered Professional Accountants LLP who expressed an unmodified opinion on those consolidated statements on June 30, 2019. The partners and staff of Cogent Chartered Professional Accountants LLP joined Grant Thornton LLP subsequent to that on November 1, 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to 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 Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 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 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 Municipality 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.

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.

Saskatoon, Canada
June 17, 2020

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

TOWN OF HEPBURN
Consolidated Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 2,860,454	\$ 2,595,980
Taxes Receivable - Municipal (Note 3)	56,754	45,556
Other Accounts Receivable (Note 4)	90,189	52,905
Land for Resale (Note 5)	80	80
Long-Term Investments (Note 6)	20	14,249
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
Total financial assets	3,007,497	2,708,770
LIABILITIES		
Bank indebtedness (Note 8)	-	-
Accounts Payable	695	63,484
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue (Note 9)	-	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 12)	1,210,118	1,341,502
Lease Obligations (Note 13)	-	-
Total liabilities	1,210,813	1,404,986
NET FINANCIAL ASSETS	1,796,684	1,303,784
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	9,345,039	9,433,430
Prepayments and Deferred Charges	-	-
Stock and Supplies	-	-
Other (Note 14)	-	-
ACCUMULATED SURPLUS (Schedule 8)	\$ 11,141,723	\$ 10,737,214

See notes to financial statements

TOWN OF HEPBURN**Consolidated Statement of Operations and Accumulated Surplus****As at December 31, 2019****Statement 2**

	Budget	2019	2018
REVENUES OTHER THAN PROVINCIAL/FEDERAL CAPITAL GRANTS AND CONTRIBUTIONS			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 766,164	\$ 778,264	\$ 746,774
Fees and Charges (Schedule 4, 5)	740,356	829,648	735,658
Conditional Grants (Schedule 4, 5)	35,053	52,927	35,053
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	3,700	3,700	-
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	30,000	30,863	12,128
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	9,622	10,921	9,622
Total Revenues other than Provincial/Federal Capital Grants and Contributions	1,584,895	1,706,323	1,539,235
EXPENSES			
General Government Services (Schedule 3)	227,089	248,646	233,497
Protective Services (Schedule 3)	150,453	96,280	81,056
Transportation Services (Schedule 3)	282,863	226,812	215,788
Environmental and Public Health Services (Schedule 3)	76,621	85,653	69,231
Planning and Development Services (Schedule 3)	5,000	3,152	5,713
Recreation and Cultural Services (Schedule 3)	229,711	159,416	209,327
Utility Services (Schedule 3)	574,331	555,485	470,723
Restructurings (Schedule 3)	-	-	-
Total Expenses	1,546,068	1,375,444	1,285,335
Surplus (Deficit) of Revenues over Expenses before Provincial/Federal Capital Grants and Contributions	38,827	330,879	253,900
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	65,000	73,630	37,338
Surplus (Deficit) of Revenues over Expenses	103,827	404,509	291,238
Accumulated Surplus (Deficit), Beginning of Year	10,737,214	10,737,214	10,445,976
ACCUMULATED SURPLUS - END OF YEAR	\$ 10,841,041	\$ 11,141,723	\$ 10,737,214

See notes to financial statements

TOWN OF HEPBURN

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2019

Statement 3

	2019	2018
Surplus (Deficit)	\$ 404,509	\$ 291,238
(Acquisition) of tangible capital assets	(130,836)	(5,009)
Amortization of tangible capital assets	219,227	215,381
Proceeds on disposal of tangible capital assets	3,700	-
Loss (gain) on the disposal of tangible capital assets	(3,700)	-
Transfer of assets/liabilities in restructuring transactions	-	-
Surplus (Deficit) of capital expenses over expenditures	88,391	210,372
(Acquisition) of supplies inventories	(80)	-
(Acquisition) of prepaid expense	-	-
Consumption of supplies inventory	80	-
Use of prepaid expense	-	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	-
Increase/Decrease in Net Financial Assets	492,900	501,610
Net Financial Assets (Debt) - Beginning of Year	1,303,784	802,174
Net Financial Assets (Debt) - End of Year	\$ 1,796,684	\$ 1,303,784

TOWN OF HEPBURN
Consolidated Statement of Cash Flows
As at December 31, 2019

Statement 4

Cash provided by (used for) the following activities

	2019	2018
Operating:		
Surplus (Deficit)	\$ 404,509	\$ 291,238
Amortization	219,227	215,381
Loss (gain) on disposal of tangible capital assets	(3,700)	-
	620,036	506,619
Change in assets/liabilities		
Taxes Receivable - Municipal	(11,198)	9,588
Other Receivables	(37,284)	(3,628)
Land for Resale	-	-
Other Financial Assets	-	-
Accounts Payable	(62,789)	(427)
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue	-	-
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	-	-
Other	-	-
	(111,271)	5,533
Cash provided by operating transactions	508,765	512,152
Capital:		
Acquisition of capital assets	(130,836)	(5,009)
Proceeds from the disposal of capital assets	3,700	-
Other capital	-	-
	(127,136)	(5,009)
Cash applied to capital transactions	(127,136)	(5,009)
Investing:		
Long-Term Investments	14,229	(374)
Other	-	-
	14,229	(374)
Cash provided by (applied to) investing transactions	14,229	(374)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(131,384)	(152,434)
Other financing	-	-
	(131,384)	(152,434)
Cash provided by (applied to) financing transactions	(131,384)	(152,434)
Change in Cash and Temporary Investments during the year	264,474	354,335

(continues)

See notes to financial statements

TOWN OF HEPBURN
Consolidated Statement of Cash Flows *(continued)*
As at December 31, 2019

	2019	2018
Cash and Temporary Investments - Beginning of Year	<u>2,595,980</u>	2,241,645
Cash and Temporary Investments - End of Year <i>(Note 2)</i>	<u>\$ 2,860,454</u>	<u>\$ 2,595,980</u>

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

1. Significant accounting policies

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(a) **Reporting Entity:**

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of 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. Entities included in these consolidated financial statements are as follows:

Hepburn Parks and Recreation

All inter-organizational transactions and balances have been eliminated.

(b) **Collection of funds for other authorities:**

Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.

(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 as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized
- b) any eligibility criteria and stipulations have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

Earned government transfer amounts not received will be recorded as an amount receivable.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(d) **Deferred Revenue - Fees and Charges:**

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 or services performed. Resources restricted by agreement with an external party are recognized as revenue in the municipality's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

(e) **Local Improvement Charges:**

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

(f) **Net Financial Assets:**

Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(g) **Non-financial assets:**

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(continues)

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

1. **Significant accounting policies** *(continued)*

(h) **Appropriated Reserves:**

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.

(i) **Property Tax Revenue:**

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred, provided the revenues are expected to be collected. Requisitions operate as a flow through and are excluded from municipal revenue.

(j) **Investments:**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms of 91 days to one year have been classified as other short-term investments and investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(k) **Inventories:**

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

(continues)

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

1. **Significant accounting policies** *(continued)*

(l) **Tangible Capital Assets:**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	5 to 20 Years
Buildings	10 to 50 Years
Vehicles & Equipment	
Vehicles	5 to 10 Years
Machinery and Equipment	5 to 10 Years
Infrastructure Assets	
Infrastructure Assets	30 to 75 Years
Water & Sewer	30 to 75 Years
Road Network Assets	30 to 75 Years

Government contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art and Other Unrecognized Assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of Interest: The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital lease are amortized on a straight line basis, over their estimated useful lives [lease term]. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(m) **Landfill liability:**

The municipality does not maintain a waste disposal site.

(n) **Trust Funds:**

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.

(o) **Employee benefit plans:**

Contributions to the municipality's multi-employer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

(continues)

1. **Significant accounting policies** *(continued)*

(p) **Liability for Contaminated Sites:**

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 contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

Any revisions to an amount previously recognized are accounted for in the period in which the revisions are made.

(q) **Measurement Uncertainty:**

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 expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality. The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

(r) **Basis of segmentation/Segment report:**

The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

(s) **Budget Information:**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 17, 2019.

(continues)

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

1. **Significant accounting policies** *(continued)*

(t) **New Accounting Standards:**

Effective January 1, 2019, the municipality adopted the following standard to comply with Canadian public sector accounting standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgment to comply with the disclosure requirements of each standard.

PS 3430 Restructuring Transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis.

For more information refer to Note 21.

Future Accounting Standards, Effective on or after April 1, 2021:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective On or After April 1, 2022:

PS 3400, Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

The extent of the impact on adoption of these future standards is not known at this time.

2. **Cash and Temporary Investments**

	<u>2019</u>	<u>2018</u>
Cash	\$ 2,860,454	\$ 2,595,980
Temporary Investments	-	-
Restricted Cash	-	-
Total Cash and Temporary Investments	\$ 2,860,454	\$ 2,595,980

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for other than specific current purposes is included in restricted cash.

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

3. Taxes Receivable - Municipal

	<u>2019</u>	<u>2018</u>
<u>Municipal</u>		
- current	\$ 35,306	\$ 40,520
- arrear	23,448	7,036
	<u>58,754</u>	<u>47,556</u>
Less - allowance for uncollectibles	(2,000)	(2,000)
Total municipal taxes receivable	<u>56,754</u>	<u>45,556</u>
<u>School</u>		
- current	11,408	14,871
- arrear	7,010	2,083
Total school taxes receivable	<u>18,418</u>	<u>16,954</u>
Other	-	-
Total taxes and grants in lieu receivable	<u>75,172</u>	<u>62,510</u>
Deduct taxes receivable to be collected on behalf of other organizations	<u>(18,418)</u>	<u>(16,954)</u>
Total Taxes Receivable - Municipal	<u>\$ 56,754</u>	<u>\$ 45,556</u>

4. Other Accounts Receivable

	<u>2019</u>	<u>2018</u>
Federal Government	\$ 19,652	\$ 15,553
Provincial Government	3,935	3,935
Local Government	-	-
Utility	54,270	31,987
Trade	12,332	1,430
Other	-	-
Total Other Accounts Receivable	<u>90,189</u>	<u>52,905</u>
Less: allowance for uncollectibles	-	-
Net Other Accounts Receivable	<u>\$ 90,189</u>	<u>\$ 52,905</u>

5. Land for Resale

	<u>2019</u>	<u>2018</u>
Tax Title Property	\$ 365	\$ 365
Allowance for market value adjustment	(285)	(285)
Net Tax Title Property	<u>80</u>	<u>80</u>
Land for Resale	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
Total Land for Resale	<u>\$ 80</u>	<u>\$ 80</u>

6. Investments

	<u>2019</u>	<u>2018</u>
Short-term Investments		
Long-term Investments		
Term deposits	\$ -	\$ 14,229
Co-op Shares	<u>20</u>	<u>20</u>
Total Investments	<u>\$ 20</u>	<u>\$ 14,249</u>

The long term investments in Co-op equity are recorded at fair market value.

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

7. Debt Charges Recoverable

	2019	2018
Current debt charges recoverable	\$ -	\$ -
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	\$ -	\$ -

This note does not pertain to this municipality.

8. Bank Indebtedness

This note does not pertain to this municipality.

9. Deferred Revenue

	2019	2018
Balance - Beginning of Year	\$ -	\$ -
Additions during the year	-	-
Reductions during the year	-	-
Balance - End of Year	\$ -	\$ -

10. Accrued Landfill Costs

	2019	2018
Environmental Liabilities	\$ -	\$ -

11. Liability for Contaminated Sites

The municipality does not currently have a liability for any contaminated sites in the community. All properties that have environmentally risky histories are still under the ownership of the corporation or individual that operated on the property and all property tax and/or other liabilities to the municipality are current. There is currently no risk that any of these properties will become the responsibility of the municipality.

12. Long-term Debt

The debt limit of the municipality is \$1,317,735. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (The Municipalities Act Section 161(1)).

Canada Mortgage and Housing Corporation debt is repayable at the Affinity Credit Union in annual blended payments of \$111,172 which bear interest at a rate of 3.92% per annum. The debenture matures on March 1, 2026.

Canada Mortgage and Housing Corporation debt is repayable at the Affinity Credit Union in annual blended payments of \$96,038 which bear interest at a rate of 3.35% per annum. The debenture matures on October 1, 2025.

Future principal and interest payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>2019</u>	<u>2018</u>
2019	\$ -	\$ -	\$ -	\$ 207,210
2020	163,748	43,462	207,210	207,210
2021	169,717	37,493	207,210	207,210
2022	175,906	31,304	207,210	207,210
2023	182,322	24,888	207,210	207,210
2024	188,973	18,237	207,210	207,210
Thereafter	302,847	15,535	318,382	318,382

(continues)

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

12. Long-term Debt (continued)

	Principal	2019	2018
Balance	1,183,513	170,919	1,354,432
			1,561,642

13. Lease Obligations

This note does not pertain to this municipality.

14. Other Non-financial Assets

2019	2018
------	------

This note does not pertain to this municipality.

15. Contingent Liabilities

This note does not pertain to this municipality.

16. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2019 was 11,556. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

17. Comparative Figures / Subsequent Events

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

It is unknown to what extent these factors will impact the Town, however they could play a significant factor on the community in their ability to pay and service their taxes, as well as the utilization of taxes held by the Town. The Town has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Town for future periods.

Certain of the prior year comparative figures may have been restated to conform to the current year's presentation.

18. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

	2019	2018
Balance - Beginning of Year	\$ -	\$ -
Revenue (specify)	-	-
Interest revenue	-	-
Subtotal	-	-
Expenditure (specify)	-	-
Balance - End of Year	\$ -	\$ -

This note does not pertain to this municipality.

TOWN OF HEPBURN

Notes to Consolidated Financial Statements

As at December 31, 2019

19. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to Hepburn Parks and Recreation under the common control of the Council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

20. Contingent Assets

Contingent assets are not recorded in the financial statements.

21. Restructuring Transactions

This note does not pertain to this municipality.

22. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statements is as follows:

	<u>2019</u>
Budget surplus per Statement of Operations	103,827
Less: Transfers to other funds	<u>(23,680)</u>
	<u>\$ 80,147</u>

TOWN OF HEPBURN
Notes to Consolidated Financial Statements
As at December 31, 2019

23. Contractual Rights

This note does not pertain to this municipality.

	2019	2020	2021	2022	2023	Thereafter	Maturity Date	Current Year Total	Prior Year Total
Type, Nature, Time & Extent	_____								

24. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets [identify those that apply]. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

	2020	2021	2022	2023	2024	Thereafter	Maturity Date	Current Year Total	Prior Year Total
Time, Nature, Time & Extent	_____								

See Note 13 for Capital Lease Obligations

TOWN OF HEPBURN

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2019

Schedule 1

	Budget 2019	2019	2018
TAXES			
General municipal tax levy	\$ 590,000	\$ 590,084	\$ 585,610
Abatements and adjustments	(5,000)	(631)	(8,434)
Discount on current year taxes	(18,000)	(16,942)	(16,846)
Net Municipal Taxes	567,000	572,511	560,330
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	5,000	5,638	5,078
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	572,000	578,149	565,408
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	140,000	142,404	138,426
Organized Hamlet	-	-	-
Total Unconditional Grants	140,000	142,404	138,426
GRANTS IN LIEU OF TAXES			
Federal	2,190	2,477	2,509
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	-	-	-
Central Services	-	-	-
SaskTel	8,974	8,974	8,974
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	28,000	29,050	26,904
Sask Energy Surcharge	15,000	17,210	4,553
Other	-	-	-
Total Grants in Lieu of Taxes	54,164	57,711	42,940
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 766,164	\$ 778,264	\$ 746,774

TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 1

	Budget 2019	2019	2018
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	\$ 380	\$ -	\$ 125
- Custom work	-	-	-
- Sales of supplies	740	2,704	486
- Other (Rent)	-	266	-
Total Fees and Charges	1,120	2,970	611
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	-	-
- Investment income and commissions	30,000	30,863	12,128
- Other (Donations)	8,360	9,300	8,360
Total Other Segmented Revenue	39,480	43,133	21,099
Conditional Grants			
- Student Employment	1,315	3,097	1,315
- Other	-	-	-
Total Conditional Grants	1,315	3,097	1,315
Total Operating	40,795	46,230	22,414
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenues	-	-	-
Total General Government Services	40,795	46,230	22,414
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	5,850	30,642	11,901
- Other	-	-	-
Total Fees and Charges	5,850	30,642	11,901
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	5,850	30,642	11,901
Conditional Grants			
- Student Employment	-	-	-
- Local government	21,073	21,073	21,073
- Other	-	-	-
Total Conditional Grants	21,073	21,073	21,073
Total Operating	26,923	51,715	32,974
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenues	-	-	-
Total Protective Services	\$ 26,923	\$ 51,715	\$ 32,974

TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 2

	Budget 2019	2019	2018
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Custom work	320	2,745	320
- Sales of supplies	200	-	75
- Road Maintenance and Restoration	-	-	-
Agreements	-	-	-
- Frontage	-	-	-
- Other	-	-	-
Total Fees and Charges	520	2,745	395
- Tangible capital asset sales - gain (loss)	3,700	3,700	-
- Other	-	-	-
Total Other Segmented Revenue	4,220	6,445	395
Conditional Grants			
- MREP (CTP)	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	4,220	6,445	395
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenues	-	-	-
Total Transportation Services	4,220	6,445	395
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Waste and Disposal Fees	70,799	75,679	70,261
- Other	-	-	-
Total Fees and Charges	70,799	75,679	70,261
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Housing Surplus)	1,262	1,621	1,262
Total Other Segmented Revenue	72,061	77,300	71,523
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	72,061	77,300	71,523
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenues	-	-	-
Total Environmental and Public Health Services	\$ 72,061	\$ 77,300	\$ 71,523

TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 3

	Budget 2019	2019	2018
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ 5,000	\$ 8,297	\$ 25,761
- Maintenance and Development Charges	-	-	-
- Other (Permits and licenses)	8,110	5,037	270
Total Fees and Charges	13,110	13,334	26,031
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	13,110	13,334	26,031
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	13,110	13,334	26,031
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenues	-	-	-
Total Planning and Development Services	13,110	13,334	26,031
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenues			
Fees and Charges	69,767	71,646	58,140
- Other	-	-	-
Total Fees and Charges	69,767	71,646	58,140
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	69,767	71,646	58,140
Conditional Grants			
- Student Employment	-	-	-
- Local Government	4,000	18,957	4,000
- Donations	-	-	-
- Other (Sask. Lotto)	8,665	9,800	8,665
Total Conditional Grants	12,665	28,757	12,665
Total Operating	82,432	100,403	70,805
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (CIF and SPRA)	-	-	3,000
Total Capital	-	-	3,000
Restructuring Revenues	-	-	-
Total Recreation and Cultural Services	\$ 82,432	\$ 100,403	\$ 73,805

TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 4

	Budget 2019	2019	2018
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Water	506,440	552,368	495,570
- Sewer	72,750	80,264	72,749
- Other	-	-	-
Total Fees and Charges	579,190	632,632	568,319
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	579,190	632,632	568,319
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	579,190	632,632	568,319
Capital			
Conditional Grants			
- Federal Gas Tax	65,000	73,630	34,338
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	65,000	73,630	34,338
Restructuring Revenues	-	-	-
Total Utility Services	644,190	706,262	602,657
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 883,731	\$ 1,001,689	\$ 829,799

SUMMARY

Total Other Segmented Revenue	\$ 783,678	\$ 875,132	\$ 757,408
Total Conditional Grants	35,053	52,927	35,053
Total Capital Grants and Contributions	65,000	73,630	37,338
Restructuring Revenue	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 883,731	\$ 1,001,689	\$ 829,799

TOWN OF HEPBURN

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 1

	Budget 2019	2019	2018
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 11,850	\$ 12,200	\$ 12,542
Wages and benefits	127,909	161,401	148,068
Professional/Contractual services	62,056	56,939	56,861
Utilities	9,752	9,142	8,029
Maintenance, materials and supplies	12,822	7,352	6,225
Grants and contributions			
Grants and contributions - operating	-	-	-
Grants and Contributions - capital	-	-	-
Amortization	2,500	1,602	1,602
Interest	-	-	-
Allowance For Uncollectibles	200	10	170
Other	-	-	-
General Government Services	227,089	248,646	233,497
Restructuring	-	-	-
Total General Government Services	227,089	248,646	233,497
PROTECTIVE SERVICES			
Police Protection			
Wages and benefits	-	-	-
Professional/Contractual Services	38,901	42,206	39,034
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	3,323
Grants and contributions			
Grants and Contributions - Operating	100	-	-
Grants and Contributions - Capital	-	-	-
Other	-	-	-
Fire Protection			
Wages and benefits	6,100	3,344	3,663
Professional/Contractual Services	19,085	12,177	16,610
Utilities	7,094	6,454	5,082
Maintenance, Materials and Supplies	66,173	19,780	4,871
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	13,000	12,319	8,473
Interest	-	-	-
Other	-	-	-
Protective Services	150,453	96,280	81,056
Restructuring	-	-	-
Total Protective Services	150,453	96,280	81,056
TRANSPORTATION SERVICES			
Wages and Benefits	77,551	85,616	73,874
Professional/Contractual Services	20,251	18,859	10,586
Utilities	18,686	16,690	28,516
Maintenance, Materials and Supplies	135,975	34,618	31,000
Gravel	7,000	2,962	3,745
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	23,400	68,067	68,067
Interest	-	-	-
Other	-	-	-
Transportation Services	282,863	226,812	215,788
Restructuring	-	-	-
Total Transportation Services	\$ 282,863	\$ 226,812	\$ 215,788

TOWN OF HEPBURN

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 2

	Budget 2019	2019	2018
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	76,621	85,653	69,231
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	-
Grants and contributions			
Grants and contributions - operating	-	-	-
Grants and contributions - waste disposal	-	-	-
Grants and contributions - Public Health	-	-	-
Grants and contributions - capital	-	-	-
Grants and contributions - waste disposal	-	-	-
Grants and contributions - Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	76,621	85,653	69,231
Restructuring	-	-	-
Total Environmental and Public Health Services	76,621	85,653	69,231
PLANNING AND DEVELOPMENT SERVICES			
Wages and Benefits	-	-	-
Professional/Contractual Services	5,000	3,152	5,713
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	5,000	3,152	5,713
Restructuring	-	-	-
Total Planning and Development Services	5,000	3,152	5,713
RECREATION AND CULTURAL SERVICES			
Wages and Benefits	29,942	17,407	20,720
Professional/Contractual Services	78,970	47,934	66,402
Utilities	11,855	11,199	9,544
Maintenance, Materials, and Supplies	90,944	56,874	90,584
Grants and contributions			
Grants and Contributions - Operating	-	12,187	8,262
Grants and Contributions - Capital	-	-	-
Amortization	18,000	13,815	13,815
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	229,711	159,416	209,327
Restructuring	-	-	-
Total Recreation and Cultural Services	\$ 229,711	\$ 159,416	\$ 209,327

TOWN OF HEPBURN

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 3

	Budget 2019	2019	2018
UTILITY SERVICES			
Wages and Benefits	\$ 73,400	\$ 71,745	\$ 65,981
Professional/Contractual Services	195,248	207,203	169,442
Utilities	23,475	21,190	19,541
Maintenance, Materials and Supplies	129,608	56,097	40,752
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	100,600	123,424	123,424
Interest	52,000	75,826	51,583
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Utility Services	574,331	555,485	470,723
Restructuring	-	-	-
Total Utility Services	574,331	555,485	470,723
TOTAL EXPENSES BY FUNCTION	\$ 1,546,068	\$ 1,375,444	\$ 1,285,335

TOWN OF HEPBURN

Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 2,970	\$ 30,642	\$ 2,745	\$ 75,679	\$ 13,334	\$ 71,646	\$ 632,632	\$ 829,648
Tangible Capital Asset Sales - Gain (Loss)	-	-	3,700	-	-	-	-	3,700
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	30,863	-	-	-	-	-	-	30,863
Other Revenues	9,300	-	-	1,621	-	-	-	10,921
Grants - Conditional	3,097	21,073	-	-	-	28,757	-	52,927
- Capital	-	-	-	-	-	-	73,630	73,630
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	46,230	51,715	6,445	77,300	13,334	100,403	706,262	1,001,689
Expenses (Schedule 3)								
Wages and Benefits	173,601	3,344	85,616	-	-	17,407	71,745	351,713
Professional/Contractual Services	56,939	54,383	18,859	85,653	3,152	47,934	207,203	474,123
Utilities	9,142	6,454	16,690	-	-	11,199	21,190	64,675
Maintenance Material and Supplies	7,352	19,780	37,580	-	-	56,874	56,097	177,683
Grants and Contributions	-	-	-	-	-	12,187	-	12,187
Amortization	1,602	12,319	68,067	-	-	13,815	123,424	219,227
Interest	-	-	-	-	-	-	75,826	75,826
Allowance for Uncollectibles	10	-	-	-	-	-	-	10
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	248,646	96,280	226,812	85,653	3,152	159,416	555,485	1,375,444
Surplus (Deficit) by Function	(202,416)	(44,565)	(220,367)	(8,353)	10,182	(59,013)	150,777	(373,755)
Taxes and other unconditional revenue (Schedule 1)								<u>778,264</u>
Net Surplus (Deficit)								<u>\$ 404,509</u>

See notes to financial statements

TOWN OF HEPBURN

Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 611	\$ 11,901	\$ 395	\$ 70,261	\$ 26,031	\$ 58,140	\$ 568,319	\$ 735,658
Tangible Capital Asset Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	12,128	-	-	-	-	-	-	12,128
Other Revenues	8,360	-	-	1,262	-	-	-	9,622
Grants - Conditional	1,315	21,073	-	-	-	12,665	-	35,053
- Capital	-	-	-	-	-	3,000	34,338	37,338
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	22,414	32,974	395	71,523	26,031	73,805	602,657	829,799
Expenses (Schedule 3)								
Wages and Benefits	160,610	3,663	73,874	-	-	20,720	65,981	324,848
Professional/ Contractual Services	56,861	55,644	10,586	69,231	5,713	66,402	169,442	433,879
Utilities	8,029	5,082	28,516	-	-	9,544	19,541	70,712
Maintenance Material and Supplies	6,225	8,194	34,745	-	-	90,584	40,752	180,500
Grants and Contributions	-	-	-	-	-	8,262	-	8,262
Amortization	1,602	8,473	68,067	-	-	13,815	123,424	215,381
Interest	-	-	-	-	-	-	51,583	51,583
Allowance for Uncollectibles	170	-	-	-	-	-	-	170
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	233,497	81,056	215,788	69,231	5,713	209,327	470,723	1,285,335
Surplus (Deficit) by Function	(211,083)	(48,082)	(215,393)	2,292	20,318	(135,522)	131,934	(455,536)
Taxes and other unconditional revenue (Schedule 1)								<u>746,774</u>
Net Surplus (Deficit)								\$ 291,238

See notes to financial statements

TOWN OF HEPBURN

Consolidated Schedule of Tangible Capital Assets by Object

As at December 31, 2019

Schedule 6

	2019								2018 Total
	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening Asset costs	\$ 87,300	\$ 9,324	\$ 3,438,335	\$ 143,552	\$ 486,262	\$ 11,878,471	\$ -	\$ 16,043,244	\$ 16,038,235
Additions during the year	-	-	15,652	43,460	63,319	8,405	-	130,836	5,009
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	87,300	9,324	3,453,987	187,012	549,581	11,886,876	-	16,174,080	16,043,244
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	1,864	3,399,458	137,122	295,156	2,776,214	-	6,609,814	6,394,433
Add: Amortization taken	-	-	18,083	3,658	15,996	181,490	-	219,227	215,381
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	1,864	3,417,541	140,780	311,152	2,957,704	-	6,829,041	6,609,814
Net Book Value	\$ 87,300	\$ 7,460	\$ 36,446	\$ 46,232	\$ 238,429	\$ 8,929,172	\$ -	\$ 9,345,039	\$ 9,433,430

1. Total contributed donated assets received in 2019: \$ -
2. List of assets recognized at nominal value in 2019 are:
 - a) Infrastructure Assets \$ -
 - b) Vehicles \$ -
 - c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2019: \$ -

See notes to financial statements

TOWN OF HEPBURN

Consolidated Schedule of Tangible Capital Assets by Function

As at December 31, 2019

Schedule 7

	2019								2018
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening Asset costs	\$ 207,122	\$ 415,583	\$ 2,198,329	\$ -	\$ -	\$ 2,924,588	\$ 10,297,622	\$ 16,043,244	\$ 16,038,235
Additions during the year	-	55,067	56,141	-	-	-	19,628	130,836	5,009
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	207,122	470,650	2,254,470	-	-	2,924,588	10,317,250	16,174,080	16,043,244
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	172,405	324,114	1,758,068	-	-	2,924,588	1,430,639	6,609,814	6,394,433
Add: Amortization taken	1,602	12,319	68,067	-	-	13,815	123,424	219,227	215,381
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	174,007	336,433	1,826,135	-	-	2,938,403	1,554,063	6,829,041	6,609,814
Net Book Value	\$ 33,115	\$ 134,217	\$ 428,335	\$ -	\$ -	\$ (13,815)	\$ 8,763,187	\$ 9,345,039	\$ 9,433,430

See notes to financial statements

TOWN OF HEPBURN

Consolidated Schedule of Accumulated Surplus

As at December 31, 2019

Schedule 8

	2018	Changes	2019
UNAPPROPRIATED SURPLUS	<u>\$ 1,063,681</u>	<u>\$ 351,516</u>	<u>\$ 1,415,197</u>
APPROPRIATED RESERVES			
Machinery and Equipment	158,000	-	158,000
Public Reserve	600	-	600
Capital Trust	-	-	-
Utility	878,705	-	878,705
Other (Parks and Recreation, Buildings, Streets)	544,300	10,000	554,300
Total Appropriated	<u>1,581,605</u>	<u>10,000</u>	<u>1,591,605</u>
ORGANIZED HAMLETS			
Organized Hamlet of	-	-	-
Total Organized Hamlets	<u>-</u>	<u>-</u>	<u>-</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	9,433,430	(88,391)	9,345,039
Less: Related debt	(1,341,502)	131,384	(1,210,118)
Net Investment in Tangible Capital Assets	<u>8,091,928</u>	<u>42,993</u>	<u>8,134,921</u>
Total Accumulated Surplus	<u>\$ 10,737,214</u>	<u>\$ 404,509</u>	<u>\$ 11,141,723</u>

TOWN OF HEPBURN
Schedule of Mill Rates and Assessments
As at December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 17,215	\$ 49,871,680	\$ -	\$ -	\$ 2,659,100	\$ -	\$ 52,547,995
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	17,215	49,871,680	-	-	2,659,100	-	52,547,995
Mill Rate Factor(s)	1.0000	1.0000	-	-	1.0000	-	-
Total Base/Minimum Tax (generated for each property class)	600	344,700	-	-	16,200	-	361,500
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 675	\$ 561,642	\$ -	\$ -	\$ 27,767	\$ -	\$ 590,084

MILL RATES:

Average Municipal *
Average School
Potash Mill Rate
Uniform Municipal Mill Rate

MILLS
11.2294
4.2279
-
4.3500

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority)

TOWN OF HEPBURN

Schedule of Council Remuneration

As at December 31, 2019

Schedule 10

	Name	Remuneration	Reimbursed Costs	Total
Position				
Mayor	Jeff Peters	\$ 3,300	\$ 864	\$ 4,164
Councillor	Ken Jeschke	3,400	489	3,889
Councillor	Chris Crockett	2,400	38	2,438
Councillor	Craig Kosowan	1,300	-	1,300
Councillor	Chris Becker	1,800	-	1,800
Total		<u>\$ 12,200</u>	<u>\$ 1,391</u>	<u>\$ 13,591</u>

TOWN OF HEPBURN
Schedule of Restructuring
Year Ended December 31, 2019

	2019	2018
Carrying amount of Assets and Liabilities Transferred/Received at Restructuring Date:		
Cash and Temporary Investments	\$ -	\$ -
Taxes Receivable - Municipal	-	-
Other Accounts Receivable	-	-
Land for Resale	-	-
Long-Term Investments	-	-
Debt Charges Recoverable	-	-
Bank Indebtedness	-	-
Accounts Payable	-	-
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue	-	-
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt	-	-
Lease Obligations	-	-
Tangible Capital Assets	-	-
Prepayments and Deferred Charges	-	-
Stock and Supplies	-	-
Other	-	-
Total Net Carrying Amount Received (Transferred)	\$ -	\$ -