

TOWN OF HEPBURN
Financial Statements
Year Ended December 31, 2018

TOWN OF HEPBURN
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Year Ended December 31, 2018

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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.

Cogent Chartered Professional Accountants 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.



Brad Wiebe, Administrator



Mr. Jeff Peters, Mayor

Hepburn, SK

Date: March 20, 2019

Cogent

CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Council of Town of Hepburn:

Opinion

We have audited the financial statements of Town of Hepburn (the Municipality), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and cash flow 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 Municipality as at December 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We would like to draw your attention to Schedule 11 - Schedule of Financial Statement Adjustments which discloses certain prior period adjustments. Our opinion has not been qualified as a result of these adjustments.

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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 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. 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 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 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 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.

Rosthern, SK
March 20, 2019


Chartered Professional Accountants

Cogent

CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

TOWN OF HEPBURN**Statement of Financial Position****As at December 31, 2018****Statement 1**

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 2,595,980	\$ 2,241,645
Taxes Receivable - Municipal (Note 3)	45,556	55,143
Other Accounts Receivable (Note 4)	52,905	49,277
Land for Resale (Note 5)	80	80
Long-Term Investments (Note 6)	14,249	13,875
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
Total Financial Assets	2,708,770	2,360,020
LIABILITIES		
Bank indebtedness (Note 8)	-	-
Accounts Payable	63,484	63,909
Accrued Liabilities Payable	-	-
Deposits received	-	-
Deferred Revenue (Note 9)	-	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long term debt (Note 12)	1,341,502	1,493,937
Lease Obligations (Note 13)	-	-
Total Liabilities	1,404,986	1,557,846
NET FINANCIAL ASSETS	1,303,784	802,174
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	9,433,429	9,643,801
Prepayments and Deferred Charges	-	-
Stock and Supplies	-	-
Other (Note 14)	-	-
Total Non-Financial Assets	9,433,429	9,643,801
ACCUMULATED SURPLUS (Schedule 8)	\$ 10,737,213	\$ 10,445,975

TOWN OF HEPBURN

Statement of Operations

Year Ended December 31, 2018

Statement 2

	Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 756,640	\$ 746,774	\$ 730,911
Fees and Charges (Schedule 4, 5)	699,890	735,658	709,108
Conditional Grants (Schedule 4, 5)	32,010	35,053	29,992
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	-	-	(392)
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	(9,500)
Investment Income and Commissions (Schedule 4, 5)	7,970	12,128	8,053
Other Revenues (Schedule 4, 5)	2,500	9,622	2,123
Total Revenues	1,499,010	1,539,235	1,470,295
EXPENSES			
General Government Services (Schedule 3)	244,570	233,497	208,173
Protective Services (Schedule 3)	115,670	81,056	99,913
Transportation Services (Schedule 3)	210,510	215,788	200,454
Environmental and Public Health Services (Schedule 3)	75,820	69,231	84,344
Planning and Development Services (Schedule 3)	9,320	5,713	9,315
Recreation and Cultural Services (Schedule 3)	251,850	209,327	165,162
Utility Services (Schedule 3)	598,620	470,723	637,527
Total Expenses	1,506,360	1,285,335	1,404,888
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(7,350)	253,900	65,407
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	49,170	37,338	46,170
Surplus (Deficit) of Revenues over Expenses	41,820	291,238	111,577
Accumulated Surplus (Deficit), Beginning of Year	10,445,975	10,445,975	10,334,398
ACCUMULATED SURPLUS - END OF YEAR	\$ 10,487,795	\$ 10,737,213	\$ 10,445,975



TOWN OF HEPBURN

Statement of Change in Net Financial Assets

Year Ended December 31, 2018

Statement 3

	Budget 2018	2018	2017
Surplus (Deficit)	\$ 18,140	\$ 291,236	\$ 111,577
(Acquisition) of tangible capital assets	-	(5,009)	(5,252)
Amortization of tangible capital assets	-	215,381	376,517
Proceeds on disposal of tangible capital assets	-	-	3,450
Loss (gain) on the disposal of tangible capital assets	-	-	392
Surplus (Deficit) of capital expenses over expenditures	-	210,372	375,107
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expense	-	-	-
Consumption of supplies inventory	-	-	-
Use of prepaid expense	-	-	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	-	-
Increase/Decrease in Net Financial Assets	18,140	501,608	486,684
Net Financial Assets (Debt) - Beginning of Year	802,174	802,174	315,490
Net Financial Assets (Debt) - End of Year	\$ 820,314	\$ 1,303,782	\$ 802,174



TOWN OF HEPBURN

Statement of Cash Flow

Year Ended December 31, 2018

Statement 4

	2018	2017
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 291,238	\$ 111,577
Amortization	215,381	376,517
Loss (gain) on disposal of tangible capital assets	-	392
	<u>506,619</u>	<u>488,486</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	9,588	(5,513)
Other Receivables	(3,628)	(5,790)
Land for Resale	-	29,500
Accounts Payable	(427)	26,811
	<u>5,533</u>	<u>45,008</u>
Cash provided by operating transactions	<u>512,152</u>	<u>533,494</u>
Capital:		
Acquisition of capital assets	(5,009)	(5,252)
Proceeds from disposal of capital assets	-	3,450
Cash applied to capital transactions	<u>(5,009)</u>	<u>(1,802)</u>
Investing:		
Long-Term Investments	(374)	(364)
Other investments	-	-
Cash provided by (applied to) investing transactions	<u>(374)</u>	<u>(364)</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(152,434)	(147,076)
Other financing	-	-
Cash provided by (applied to) financing transactions	<u>(152,434)</u>	<u>(147,076)</u>
Change in Cash and Temporary Investments during the year	354,335	384,252
Cash and Temporary Investments - Beginning of Year	<u>2,241,645</u>	<u>1,857,393</u>
Cash and Temporary Investments - End of Year (Note 2)	<u>\$ 2,595,980</u>	<u>\$ 2,241,645</u>



1. **Significant accounting policies**

The 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 financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; 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 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 financial statements are as follows:

Entity - No Entities

All inter-organizational transactions and balances have been eliminated.

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

Collection of funds by the municipality for the school board, 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 have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

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

(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.

(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.

(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.

(continues)

1. Significant accounting policies (continued)

(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. 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. The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis.

(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.

(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	(Insert)
Road Network Assets	(Insert)

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: 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.

(continues)

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

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

(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.

(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.

(continues)

TOWN OF HEPBURN

Notes to Financial Statements

Year Ended December 31, 2018

1. Significant accounting policies (continued)

(s) Budget Information:

Budget Information: Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 9, 2018.

(t) New Accounting Standards:

Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

PS 2200 Related Party Disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

The adoption of this standard has not resulted in any disclosure change.

PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed.

The adoption of this standard has no impact on the consolidated financial statements.

PS 3320 Contingent Assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely.

The municipality does not have any reportable contingent assets

PS 3380 Contractual Rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future

The municipality does not have any reportable contractual rights.

PS 3420 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

This standard has no impact on the consolidated financial statements.

2. Cash and Temporary Investments

	<u>2018</u>	<u>2017</u>
Cash	\$ 2,595,980	\$ 2,241,645
Temporary Investments	-	-
Restricted Cash	-	-
Total Cash and Temporary Investments	\$ 2,595,980	\$ 2,241,645

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 current purposes is included in restricted cash.

TOWN OF HEPBURN

Notes to Financial Statements

Year Ended December 31, 2018

3. Taxes Receivable - Municipal

	<u>2018</u>	<u>2017</u>
<u>Municipal</u>		
- current	\$ 40,520	\$ 46,138
- arrears	7,036	11,004
	<u>47,556</u>	<u>57,141</u>
Less - allowance for uncollectibles	(2,000)	(2,000)
Total municipal taxes receivable	<u>45,556</u>	<u>55,142</u>
<u>School</u>		
- current	14,871	11,848
- arrears	2,083	4,339
Total school taxes receivable	<u>16,954</u>	<u>16,187</u>
Other	-	-
Total taxes and grants in lieu receivable	62,510	71,329
Deduct taxes receivable to be collected on behalf of other organizations	(16,954)	(16,186)
Total Taxes Receivable - Municipal	\$ 45,556	\$ 55,143

4. Other Accounts Receivable

	<u>2018</u>	<u>2017</u>
Federal Government	\$ 15,553	\$ 15,255
Provincial Government	3,935	1,999
Local Government	-	-
Utility	31,987	30,802
Trade	1,430	1,221
Other	-	-
Total Other Accounts Receivable	<u>52,905</u>	<u>49,277</u>
Less: allowance for uncollectibles	-	-
Net Other Accounts Receivable	\$ 52,905	\$ 49,277

5. Land for Resale

	<u>2018</u>	<u>2017</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>2018</u>	<u>2017</u>
Long-term Investments		
Other: Term Deposits	\$ 14,229	\$ 13,855
Other: Co-op equity	20	20
Total Investments	\$ 14,249	\$ 13,875

Term deposits are recorded at cost plus accrued interest which approximates their fair market value.

Co-op equity is recorded at cost which is equal to its fair market value.

TOWN OF HEPBURN

Notes to Financial Statements

Year Ended December 31, 2018

7. Debt Charges Recoverable

	2018	2017
Current debt charges recoverable	\$ -	\$ -
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	\$ -	\$ -

8. Bank Indebtedness

Credit Arrangements

At December 31, 2018, the Municipality had lines of credit totaling \$10,000, none of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement

9. Deferred Revenue

The municipality has no deferred revenue.

10. Accrued Landfill Costs

	2018	2017
Environmental Liabilities	\$ -	\$ -

The municipality does not maintain a landfill and as such has not accrued any closure or post-closure landfill costs.

11. Liability for Contaminated Sites

The municipality is unaware of any contaminated sites and as such no liability has been accrued.

12. Long-term Debt

The debt limit of the municipality is \$1,322,813. 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:

Year	Principal	Interest	2018	2017
2018	\$ -	\$ -	\$ -	\$ 207,210
2019	157,989	49,221	207,210	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
Thereafter	491,820	33,772	525,592	525,592
Balance	1,341,502	220,140	1,561,642	1,768,852

13. Lease Obligations

The municipality has no lease obligations.

14. Other Non-Financial Assets

The municipality has no other non-financial assets.

15. Contingent Liabilities

The municipality does not have any contingent liabilities.

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 2018 was \$20,601. 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

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

The municipality does not administer any Trusts.

19. Related Parties

There are no related parties.

20. Contingent Assets

Contingent assets are not recorded in the financial statements.

21. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. The municipality does not have any contractual rights.

22. Contractual Obligations and Commitments

The municipality has not entered into any multiple-year contracts for the delivery of services or the construction of tangible capital assets which would become liabilities in the future when the terms of the contracts are met.

TOWN OF HEPBURN

Schedule of Taxes and Other Unconditional Revenue

Year Ended December 31, 2018

Schedule 1

	Budget 2018	2018	2017
TAXES			
General municipal tax levy	\$ 590,000	\$ 585,610	\$ 558,491
Abatements and adjustments	(5,000)	(8,434)	(5,346)
Discount on current year taxes	(16,000)	(16,846)	(15,779)
Net Municipal Taxes	569,000	560,330	537,366
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	6,000	5,078	5,787
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	575,000	565,408	543,153
UNCONDITIONAL GRANTS			
Revenue Sharing	140,000	138,426	148,386
Organized Hamlet	-	-	-
Other	-	-	-
Total Unconditional Grants	140,000	138,426	148,386
GRANTS IN LIEU OF TAXES			
Federal	4,670	2,509	4,666
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	-	-	-
Central Services	-	-	-
SaskTel	8,970	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	26,904	25,732
Sask Energy Surcharge	-	4,553	-
Other	-	-	-
Total Grants in Lieu of Taxes	41,640	42,940	39,372
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 756,640	\$ 746,774	\$ 730,911



CHARTERED PROFESSIONAL ACCOUNTANTS LLP

TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

Year Ended December 31, 2018

Schedule 2 - 1

	Budget 2018	2018	2017
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	\$ 380	\$ 128	\$ 373
- Custom work	-	-	-
- Sales of supplies	770	483	1,679
- Other (Rent)	-	-	377
Total Fees and Charges	1,150	611	2,429
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	-	(9,500)
- Investment income and commissions	7,970	12,128	8,053
- Other (Donations)	2,500	8,360	2,000
Total Other Segmented Revenue	11,620	21,099	2,982
Conditional Grants			
- Student Employment	-	1,315	-
- Other	-	-	-
Total Conditional Grants	-	1,315	-
Total Operating	11,620	22,414	2,982
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total General Government Services	11,620	22,414	2,982
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	5,700	11,901	3,202
- Other	-	-	-
Total Fees and Charges	5,700	11,901	3,202
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	5,700	11,901	3,202
Conditional Grants			
- Student Employment	-	-	-
- Local government	20,000	21,073	17,980
- Other	-	-	-
Total Conditional Grants	20,000	21,073	17,980
Total Operating	25,700	32,974	21,182
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Protective Services	\$ 25,700	\$ 32,974	\$ 21,182



TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

Year Ended December 31, 2018

Schedule 2 - 2

	Budget 2018	2018	2017
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Custom work	250	320	100
- Sales of supplies	200	75	75
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other	-	-	-
Total Fees and Charges	450	395	175
- Tangible capital asset sales - gain (loss)	-	-	(392)
- Other	-	-	-
Total Other Segmented Revenue	450	395	(217)
Conditional Grants			
- MREP (CTP)	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	450	395	(217)
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Transportation Services	450	395	(217)
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	67,920	70,261	68,216
- Other	-	-	-
Total Fees and Charges	67,920	70,261	68,216
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Housing Surplus)	-	1,262	123
Total Other Segmented Revenue	67,920	71,523	68,339
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	67,920	71,523	68,339
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Environmental and Public Health Services	\$ 67,920	\$ 71,523	\$ 68,339



TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

Year Ended December 31, 2018

Schedule 2 - 3

	Budget 2018	2018	2017
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ 25,700	\$ 25,761	\$ 22,328
- Maintenance and Development Charges	-	-	-
- Other (Permits and licenses)	9,540	270	15,573
Total Fees and Charges	35,240	26,031	37,901
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	35,240	26,031	37,901
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	35,240	26,031	37,901
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	35,240	26,031	37,901
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenues			
Fees and Charges	51,070	58,140	43,275
- Other	-	-	-
Total Fees and Charges	51,070	58,140	43,275
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	51,070	58,140	43,275
Conditional Grants			
- Student Employment	-	-	-
- Local Government	3,750	4,000	3,750
- Donations	-	-	-
- Other (Sask. Lotto)	8,260	8,665	8,262
Total Conditional Grants	12,010	12,665	12,012
Total Operating	63,080	70,805	55,287
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (CIF and SPRA)	15,000	3,000	12,000
Total Capital	15,000	3,000	12,000
Total Recreation and Cultural Services	\$ 78,080	\$ 73,805	\$ 67,287



TOWN OF HEPBURN

Schedule of Operating and Capital Revenue by Function

Year Ended December 31, 2018

Schedule 2 - 4

	Budget 2018	2018	2017
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Water	471,160	495,570	464,203
- Sewer	67,200	72,749	89,707
- Other	-	-	-
Total Fees and Charges	538,360	568,319	553,910
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	538,360	568,319	553,910
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	538,360	568,319	553,910
Capital			
Conditional Grants			
- Federal Gas Tax	34,170	34,338	34,170
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (SIGI)	-	-	-
Total Capital	34,170	34,338	34,170
Total Utility Services	572,530	602,657	588,080
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 791,540	\$ 829,799	\$ 785,554

SUMMARY

Total Other Segmented Revenue	\$ 710,360	\$ 757,408	\$ 709,392
Total Conditional Grants	32,010	35,053	29,992
Total Capital Grants and Contributions	49,170	37,338	46,170
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 791,540	\$ 829,799	\$ 785,554

TOWN OF HEPBURN

Total Expenses by Function

Year Ended December 31, 2018

Schedule 3 - 1

	Budget 2018	2018	2017
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 11,550	\$ 12,542	\$ 13,359
Wages and benefits	152,150	148,068	131,082
Professional/Contractual services	59,180	56,861	43,219
Utilities	9,680	8,029	9,093
Maintenance, materials and supplies	6,590	6,225	5,455
Grants and contributions			
- operating	-	-	750
- capital	-	-	-
Amortization	5,220	1,602	5,216
Interest	-	-	-
Allowance For Uncollectibles	200	170	(1)
Other	-	-	-
Total General Government Services	244,570	233,497	208,173
PROTECTIVE SERVICES			
Police Protection			
Wages and benefits	-	-	-
Professional/Contractual Services	37,700	39,034	35,269
Utilities	-	-	-
Maintenance, Materials and Supplies	4,000	3,323	-
Grants and contributions			
- operating	100	-	-
- capital	-	-	-
Other	-	-	-
Fire Protection			
Wages and benefits	6,100	3,663	5,906
Professional/Contractual Services	13,550	16,610	11,989
Utilities	6,310	5,082	5,024
Maintenance, Materials and Supplies	25,560	4,871	19,333
Grants and contributions			
- operating	-	-	-
- capital	-	-	-
Amortization	22,350	8,473	22,392
Interest	-	-	-
Other	-	-	-
Total Protective Services	115,670	81,056	99,913
TRANSPORTATION SERVICES			
Wages and Benefits	70,080	73,874	67,936
Professional/Contractual Services	18,990	10,586	16,022
Utilities	33,200	28,516	37,102
Maintenance, Materials and Supplies	44,740	31,000	35,263
Gravel	7,000	3,745	5,238
Grants and contributions			
- operating	-	-	-
- capital	-	-	-
Amortization	36,000	68,067	38,893
Interest	-	-	-
Other	500	-	-
Total Transportation Services	\$ 210,510	\$ 215,788	\$ 200,454



TOWN OF HEPBURN

Total Expenses by Function

Year Ended December 31, 2018

Schedule 3 - 2

	Budget 2018	2018	2017
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	75,820	69,231	84,344
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	-
Grants and contributions			
- Operating	-	-	-
Waste disposal	-	-	-
Public Health	-	-	-
- Capital	-	-	-
Waste disposal	-	-	-
Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Total Environmental and Public Health Services	75,820	69,231	84,344
PLANNING AND DEVELOPMENT SERVICES			
Wages and Benefits	-	-	-
Professional/Contractual Services	9,320	5,713	9,315
Grants and contributions			
- operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Total Planning and Development Services	9,320	5,713	9,315
RECREATION AND CULTURAL SERVICES			
Wages and Benefits	24,630	20,720	24,215
Professional/Contractual Services	93,970	66,402	20,923
Utilities	11,250	9,544	9,616
Maintenance, Materials, and Supplies	50,800	90,584	39,092
Grants and contributions			
- operating	8,200	8,262	8,989
- capital	-	-	-
Amortization	63,000	13,815	62,327
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Total Recreation and Cultural Services	\$ 251,850	\$ 209,327	\$ 165,162



TOWN OF HEPBURN

Total Expenses by Function

Year Ended December 31, 2018

Schedule 3 - 3

	Budget 2018	2018	2017
UTILITY SERVICES			
Wages and Benefits	\$ 63,400	\$ 65,981	\$ 54,354
Professional/Contractual Services	176,520	169,442	165,148
Utilities	24,040	19,541	20,904
Maintenance, Materials and Supplies	99,600	40,752	93,611
Grants and contributions			
- operating	-	-	-
- capital	-	-	-
Amortization	180,060	123,424	247,689
Interest	55,000	51,583	55,821
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Total Utility Services	598,620	470,723	637,527
TOTAL EXPENSES BY FUNCTION	\$ 1,506,360	\$ 1,285,335	\$ 1,404,888



CHARTERED PROFESSIONAL
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TOWN OF HEPBURN

Schedule of Segment Disclosure by Function

Year Ended December 31, 2018

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	\$ 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
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
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

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See notes to financial statements

TOWN OF HEPBURN

Schedule of Segment Disclosure by Function

Year Ended December 31, 2017

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	\$ 2,429	\$ 3,202	\$ 175	\$ 68,216	\$ 37,901	\$ 43,275	\$ 553,910	\$ 709,108
Tangible Capital Asset Sales - Gain (Loss)	-	-	(392)	-	-	-	-	(392)
Land Sales - Gain (Loss)	(9,500)	-	-	-	-	-	-	(9,500)
Investment Income and Commissions	8,053	-	-	-	-	-	-	8,053
Other Revenues	2,000	-	-	123	-	-	-	2,123
Grants - Conditional	-	17,980	-	-	-	12,012	-	29,992
- Capital	-	-	-	-	-	12,000	34,170	46,170
Total Revenues	2,982	21,182	(217)	68,339	37,901	67,287	588,080	785,554
Expenses (Schedule 3)								
Wages and Benefits	144,441	5,906	67,936	-	-	24,215	54,354	296,852
Professional/Contractual Services	43,219	47,258	16,022	84,344	9,315	20,923	165,148	386,229
Utilities	9,093	5,024	37,102	-	-	9,616	20,904	81,739
Maintenance Material and Supplies	5,455	19,333	40,501	-	-	39,092	93,611	197,992
Grants and Contributions	750	-	-	-	-	8,989	-	9,739
Amortization	5,216	22,392	38,893	-	-	62,327	247,689	376,517
Interest	-	-	-	-	-	-	55,821	55,821
Allowance for Uncollectibles	(1)	-	-	-	-	-	-	(1)
Other	-	-	-	-	-	-	-	-
Total Expenses	208,173	99,913	200,454	84,344	9,315	165,162	637,527	1,404,888
Surplus (Deficit) by Function	(205,191)	(78,731)	(200,671)	(16,005)	28,586	(97,875)	(49,447)	(619,334)
Taxes and other unconditional revenue (Schedule 1)								<u>730,911</u>
Net Surplus (Deficit)								<u>\$ 111,577</u>

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See notes to financial statements

TOWN OF HEPBURN
Schedule of Tangible Capital Assets by Object
As at December 31, 2018

Schedule 6

	2018							2018 Total	2017 Total
	General Assets					Infrastructure Assets	General/ Infrastructure		
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction		
Asset cost									
Opening Asset costs	\$ 87,300	\$ 9,324	\$ 3,438,335	\$ 143,552	\$ 481,253	\$ 11,878,470	\$ -	\$ 16,038,234	\$ 16,036,824
Additions during the year	-	-	-	-	5,009	-	-	5,009	5,252
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(3,842)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Closing Asset Costs	87,300	9,324	3,438,335	143,552	486,262	11,878,470	-	16,043,243	16,038,234
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	932	3,381,375	128,872	287,597	2,595,657	-	6,394,433	6,017,916
Add: Amortization taken	-	932	18,083	8,250	7,559	180,557	-	215,381	376,517
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	1,864	3,399,458	137,122	295,156	2,776,214	-	6,609,814	6,394,433
Net Book Value	\$ 87,300	\$ 7,460	\$ 38,877	\$ 6,430	\$ 191,106	\$ 9,102,256	\$ -	\$ 9,433,429	\$ 9,643,801

CHARTERED PROFESSIONAL
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1. Total contributed donated assets received in 2018: \$ -
2. List of assets recognized at nominal value in 2018 are:
 - a) Infrastructure Assets \$ -
 - b) Vehicles \$ -
 - c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2018: \$ -

See notes to financial statements

TOWN OF HEPBURN
Schedule of Tangible Capital Assets by Function
As at December 31, 2018

Schedule 7

	2018							2018 Total	2017 Total
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer		
Asset cost									
Opening Asset costs	\$ 202,113	\$ 415,583	\$ 2,198,329	\$ -	\$ -	\$ 2,924,588	\$ 10,297,621	\$ 16,038,234	\$ 16,036,824
Additions during the year	5,009	-	-	-	-	-	-	5,009	5,252
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(3,842)
Closing Asset Costs	207,122	415,583	2,198,329	-	-	2,924,588	10,297,621	16,043,243	16,038,234
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	170,803	315,641	1,690,001	-	-	2,910,773	1,307,215	6,394,433	6,017,916
Add: Amortization taken	1,602	8,473	68,067	-	-	13,815	123,424	215,381	376,517
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	172,405	324,114	1,758,068	-	-	2,924,588	1,430,639	6,609,814	6,394,433
Net Book Value	\$ 34,717	\$ 91,469	\$ 440,261	\$ -	\$ -	\$ -	\$ 8,866,982	\$ 9,433,429	\$ 9,643,801

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See notes to financial statements

TOWN OF HEPBURN

Schedule of Accumulated Surplus

Year Ended December 31, 2018

Schedule 8

	2017	Changes	2018
UNAPPROPRIATED SURPLUS	\$ 1,098,511	\$ (34,830)	\$ 1,063,681
APPROPRIATED RESERVES			
Machinery and Equipment	110,000	48,000	158,000
Public Reserve	600	-	600
Capital Trust	-	-	-
Utility	675,000	203,705	878,705
Other (Parks and Recreation, Buildings, Streets)	412,000	132,300	544,300
Total Appropriated	1,197,600	384,005	1,581,605
ORGANIZED HAMLETS			
Organized Hamlet of	-	-	-
Total Organized Hamlets	-	-	-
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,643,801	(210,372)	9,433,429
Less: Related debt	(1,493,937)	152,435	(1,341,502)
Net Investment in Tangible Capital Assets	8,149,864	(57,937)	8,091,927
Total Accumulated Surplus	\$ 10,445,975	\$ 291,238	\$ 10,737,213

TOWN OF HEPBURN
Schedule of Mill Rates and Assessments
Year Ended December 31, 2018

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 22,165	\$ 48,903,840	\$ -	\$ -	\$ 2,645,300	\$ -	\$ 51,571,305
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	22,165	48,903,840	-	-	2,645,300	-	51,571,305
Mill Rate Factor(s)	1.0000	1.0000	-	-	1.0000	-	-
Total Base/Minimum Tax (generated for each property class)	1,200	343,275	-	-	16,800	-	361,275
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 1,296	\$ 556,007	\$ -	\$ -	\$ 28,307	\$ -	\$ 585,610

MILL RATES:

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

MILLS
11.3553
16.3785
-
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)

CHARTERED PROFESSIONAL
 ACCOUNTANTS LLP
Cogent

See notes to financial statements

TOWN OF HEPBURN

Schedule of Council Remuneration

Year Ended December 31, 2018

Schedule 10

	Name	Remuneration	Reimbursed Costs	Total
Position				
Mayor	Jeff Peters	\$ 3,550	\$ 414	\$ 3,964
Councillor	Ken Jeschke	3,000	149	3,149
Councillor	Chris Crockett	1,900	29	1,929
Councillor	Craig Kosowan	1,700	-	1,700
Councillor	Chris Becker	1,800	-	1,800
Total		\$ 11,950	\$ 592	\$ 12,542



CHARTERED PROFESSIONAL ACCOUNTANTS LLP

TOWN OF HEPBURN

Schedule of Financial Statement Adjustments

Year Ended December 31, 2018

Schedule 11

2017

Effect of Change on 2017 Statement of Financial Position

2017 Accumulated Surplus (Deficit) as previously reported	\$ 10,432,602
Add: Decrease in Accounts Payable and Accrued Liabilities	37,804
Add: Decrease in Long Term Debt	33,069
Less: Decrease in Other Land For Resale	<u>(57,500)</u>
Restated 2017 Accumulated Surplus (Deficit)	<u>\$ 10,445,975</u>

Effect of Change to 2017 Statement of Operations

Previously reported 'Surplus (Deficit) of Revenues over Expenses'	\$ 81,084
Add:	
Decrease in Interest expense	<u>30,493</u>
	111,577
Less:	<u>-</u>
Restated Surplus (Deficit) of Revenue over Expenses	<u>\$ 111,577</u>