

TOWN OF HEPBURN

Auditor's Report

Financial Statements

December 31, 2020

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Town of Hepburn :

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 is 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 Town. 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the 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 administration to discuss their audit findings.



Mayor



Administrator

INDEPENDENT AUDITOR'S REPORT

To the **Mayor** and Council of **Town of Hepburn**

Report on the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Town of Hepburn**, which comprise the consolidated statement of financial position as at **December 31, 2020** and the consolidated statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the 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 Town as at **December 31, 2020** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matters

The financial statements of **Town of Hepburn** for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on June 17, 2020.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Town or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 Town'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 Town'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 Town 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.

Saskatoon, Saskatchewan
May 19, 2021


Chartered Professional Accountants

TOWN OF HEPBURN

Statement 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u> (Restated) (Note 7)
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 3,020,891	2,860,454
Taxes Receivable - Municipal (Note 3)	54,549	56,754
Other accounts receivable (Note 4)	106,020	90,189
Land for re-sale (Note 5)	80	80
Long-term investments	-	20
Debt charges recoverable	-	-
Other	-	-
	3,181,540	3,007,497
Total financial assets		
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	14,597	694
Accrued liabilities payable	-	-
Deposits	5,000	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 6)	1,042,952	1,210,118
Lease obligations	-	-
	1,062,549	1,210,812
Total liabilities		
NET FINANCIAL ASSETS (DEBT)	2,118,991	1,796,685
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	9,750,009	9,554,034
Prepaid and deferred charges	2,452	-
Stock and supplies	-	-
	9,752,461	9,554,034
Total non-financial assets		
Accumulated Surplus (Deficit) (Schedule 8)	\$ 11,871,452	11,350,719

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

TOWN OF HEPBURN

Statement 2

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2020
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u> <u>(Restated)</u> <u>(Note 7)</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 797,097	826,028	778,264
Fees and charges	(Schedule 4, 5)	757,317	798,388	829,649
Conditional grants	(Schedule 4, 5)	151,242	135,342	52,927
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	(61,900)	(61,850)	3,700
Land sales - gain	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	29,000	44,293	30,863
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>6,300</u>	<u>3,925</u>	<u>10,921</u>
Total Revenues		<u>1,679,056</u>	<u>1,746,126</u>	<u>1,706,324</u>
Expenditures:				
General government services	(Schedule 3)	248,650	204,411	248,644
Protective services	(Schedule 3)	131,743	125,934	96,280
Transportation services	(Schedule 3)	234,985	209,590	226,812
Environmental and public health services	(Schedule 3)	86,174	78,091	85,653
Planning and development services	(Schedule 3)	8,000	14,383	3,152
Recreation and cultural services	(Schedule 3)	183,615	146,894	159,453
Utility services	(Schedule 3)	607,224	605,863	555,448
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,500,391</u>	<u>1,385,166</u>	<u>1,375,442</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>178,665</u>	<u>360,960</u>	<u>330,882</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>139,477</u>	<u>159,773</u>	<u>73,630</u>
Surplus (deficit) of revenues over expenditures		318,142	520,733	404,512
Accumulated surplus (deficit), beginning of year		<u>11,350,719</u>	<u>11,350,719</u>	<u>10,946,207</u>
Accumulated surplus (deficit), end of year		<u>\$ 11,668,861</u>	<u>11,871,452</u>	<u>11,350,719</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

Statement 3

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u> <u>(Restated)</u> <u>(Note 7)</u>
Surplus (deficit)	\$ 318,142	520,733	404,512
(Acquisition) of tangible capital assets	-	(544,312)	(130,836)
Amortization of tangible capital assets	-	280,337	219,227
Proceeds on disposal of tangible capital assets	-	6,150	3,700
Loss (gain) on disposal of tangible capital assets	61,900	61,850	(3,700)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>61,900</u>	<u>(195,975)</u>	<u>88,391</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(2,452)	-
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	-	-	-
Surplus (deficit) of expenses of other non-financial over expenditures	<u>61,900</u>	<u>(2,452)</u>	<u>-</u>
Increase (decrease) in Net Financial Assets	441,942	322,306	492,903
Net Financial Assets (Debt) - Beginning of the year	<u>1,796,685</u>	<u>1,796,685</u>	<u>1,303,782</u>
Net Financial Assets (Debt)- End of year	<u>\$ 2,238,627</u>	<u>2,118,991</u>	<u>1,796,685</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

Statement 4

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u> (Restated) (Note 7)
Cash provided by (used in) the following activities:		
Operating:		
Surplus (deficit)	\$ 520,733	404,512
Amortization	280,337	219,226
Loss (gain) on disposal of tangible capital assets	<u>61,850</u>	<u>(3,700)</u>
	862,920	620,038
Change in assets/liabilities		
Taxes receivable - Municipal	2,205	(11,199)
Other accounts receivable	(15,831)	(35,759)
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	13,902	(64,465)
Deposits	5,000	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	-	-
Prepayments and deferred charges	(2,452)	-
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>865,744</u>	<u>508,615</u>
Capital:		
Acquisition of capital assets	(544,312)	(130,836)
Proceeds from the disposal of capital assets	6,150	3,700
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(538,162)</u>	<u>(127,136)</u>
Investing:		
Long-term investments	20	14,229
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>20</u>	<u>14,229</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(167,165)	(131,384)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(167,165)</u>	<u>(131,384)</u>
Increase (decrease) in cash resources	160,437	264,324
Cash and temporary investments, beginning of year	<u>2,860,454</u>	<u>2,596,130</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 3,020,891</u>	<u>2,860,454</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

(a) 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.

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Town. The entity is comprised of all organizations owned or controlled by the Town 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
Hepburn & District Parks and Recreation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board and conservation and development authorities are collected and remitted in accordance with the relevant legislation. The amounts collected are disclosed in Note 3.

(d) 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 either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

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

(e) 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.

(f) Local Improvement Charges

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

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) **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.

(h) **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.

(i) **Appropriated Reserves**

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

(j) **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.

(k) **Investments**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(l) **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 of the inventory in the ordinary course of business.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) **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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Town's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	10 years
Buildings	20 to 50 years
Vehicles and equipment	
Vehicles	10 to 25 years
Machinery & Equipment	5 to 25 years
<i>Infrastructure Assets</i>	
Water and sewer	20 to 75 years
Road network assets	8 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 Town does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. 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 leases 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.

(n) **Landfill liability**

The Town of Hepburn does not maintain a waste disposal site. No amount has been recorded as an asset or liability.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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.

The Town does not have any contaminated sites.

(p) 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 its contributions.

(q) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 period in which they become known.

(r) Basis of Segmentation/Segment Report

The Town follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Town 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 borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Town.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Transportation Services: The transportation services segment is 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 Town.

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 3,020,891	2,860,454
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 3,020,891</u>	<u>2,860,454</u>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 27,185	35,306
- Arrears	<u>27,364</u>	<u>23,448</u>
	54,549	58,754
Less: allowance for uncollectibles	<u>-</u>	<u>(2,000)</u>
Total municipal taxes receivable	<u>54,549</u>	<u>56,754</u>
School: - Current	9,830	11,408
- Arrears	<u>7,280</u>	<u>7,010</u>
Total school taxes receivable	<u>17,110</u>	<u>18,418</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	71,659	75,172
Deduct taxes receivable to be collected on behalf of other organizations	<u>(17,110)</u>	<u>(18,418)</u>
Total taxes receivable - Municipal	<u>\$ 54,549</u>	<u>56,754</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Federal government	\$ 30,504	19,652
Provincial government	15,471	3,935
Local government	-	-
Utility	50,561	54,270
Trade	9,484	12,332
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	106,020	90,189
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 106,020</u>	<u>90,189</u>

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

5. LAND FOR RESALE

	<u>2020</u>	<u>2019</u>
Tax title property	\$ 481	481
Less: - allowance for market value adjustment	(285)	(285)
Less: due to other taxing authorities	(116)	(116)
Net tax title Property	80	80
Other land	-	-
Less: - allowance for market value adjustment	-	-
Net other land	-	-
Total land for resale	\$ 80	80

6. LONG-TERM DEBT

The authorized debt limit for the Town is \$1,428,353. The authorized debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

Debenture debt:

	<u>2020</u>	<u>2019</u>
Canada Mortgage and Housing Corporation debt, repayable in annual payments of \$111,172 including interest at 3.92%, matures in 2026.	\$ 603,842	691,538
Canada Mortgage and Housing Corporation debt, repayable in annual payments of \$96,038 including interest at 3.35%, matures in 2025.	439,110	518,580
	\$ 1,042,952	1,210,118

Future principal and interest payments are as follows:

	Year	Principal	Interest	Current Total
2021		\$ 168,945	\$ 38,265	\$ 207,210
2022		174,806	32,404	207,210
2023		181,238	25,972	207,210
2024		187,908	19,302	207,210
2025		194,826	12,384	207,210
Thereafter		135,229	6,117	141,346
Balance		\$ 1,042,952	134,444	1,177,396

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

7. CORRECTION OF AN ERROR

During the year ending December 31, 2020, the Town identified that both the cost and accumulated amortization of its tangible capital assets was overstated.

This error has been corrected and the comparative figures have been restated. Prior year cost of tangible capital assets has decreased \$2,606,033, accumulated amortization of tangible capital assets has decreased by \$2,815,028, net change in tangible capital assets is a decrease of \$208,995, and accumulated surplus has increased \$208,995.

8. 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 2020 was \$22,144 (2019 - \$21,804). 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.

Based on the latest information available (December 31, 2020 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$838,900,000. This is based on the most recent actuarial valuation, completed December 31, 2019. The Town's portion of this is not readily determinable.

9. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

10. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Town:

Standards Effective On Or After April 1, 2022

PS 1201 Financial Statement Presentation replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. 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. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

PS 3041 Portfolio Investments replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and portfolio investments. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

PS 3280 Asset Retirement Obligations is a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. 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.

Standards Effective On Or After April 1, 2023

PS 3400 Revenue is a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The Town continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

TOWN OF HEPBURN

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 594,163	594,164	590,084
Abatements and adjustments	(2,800)	(2,701)	(631)
Discount on current year taxes	<u>(23,000)</u>	<u>(22,885)</u>	<u>(16,942)</u>
Net municipal taxes	568,363	568,578	572,511
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	6,500	7,603	5,638
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	<u>574,863</u>	<u>576,181</u>	<u>578,149</u>
UNCONDITIONAL GRANTS			
Revenue sharing	157,785	157,785	142,404
Organized Hamlet	-	-	-
Other (Safe Restart)	-	41,042	-
Total Unconditional Grants	<u>157,785</u>	<u>198,827</u>	<u>142,404</u>
GRANTS IN LIEU OF TAXES			
Federal	2,475	2,476	2,477
Provincial			
S.P.C. Electrical	30,000	24,601	29,050
Sask. Energy Gas	23,000	14,969	17,210
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	-	-	-
Sask Energy Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	<u>64,449</u>	<u>51,020</u>	<u>57,711</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 797,097</u>	<u>826,028</u>	<u>778,264</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,200	2,928	1,926
Sales of supplies	830	1,125	779
Other (rent)	-	606	266
Total Fees and Charges	<u>3,030</u>	<u>4,659</u>	<u>2,971</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain	-	-	-
Investment income and commissions	29,000	44,293	30,863
Other Segmented Revenue (donations)	5,000	3,925	9,300
Total other segmented revenue	<u>37,030</u>	<u>52,877</u>	<u>43,134</u>
Conditional Grants			
Federal - Student Employment	3,169	-	3,097
Other	-	-	-
Total Conditional Grants	<u>3,169</u>	<u>-</u>	<u>3,097</u>
Total Operating	<u>40,199</u>	<u>52,877</u>	<u>46,231</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>40,199</u>	<u>52,877</u>	<u>46,231</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (fire calls)	13,000	32,564	30,642
Total Fees and Charges	<u>13,000</u>	<u>32,564</u>	<u>30,642</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>13,000</u>	<u>32,564</u>	<u>30,642</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Local government-Operating	21,073	21,073	21,073
Other	-	-	-
Total Conditional Grants	<u>21,073</u>	<u>21,073</u>	<u>21,073</u>
Total Operating	<u>34,073</u>	<u>53,637</u>	<u>51,715</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Local Government-Capital	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>34,073</u>	<u>53,637</u>	<u>51,715</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 1,000	2,056	2,745
Sale of gravel and supplies	200	-	-
Road maintenance and restoration agreements	-	-	-
Other	-	-	-
Total Fees and Charges	<u>1,200</u>	<u>2,056</u>	<u>2,745</u>
Tangible capital asset sales - gain (loss)	(61,900)	(61,850)	3,700
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>(60,700)</u>	<u>(59,794)</u>	<u>6,445</u>
Conditional Grants			
Primary Weight Corridor	-	-	-
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>(60,700)</u>	<u>(59,794)</u>	<u>6,445</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	98,885	98,885	-
Total Capital	<u>98,885</u>	<u>98,885</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>38,185</u>	<u>39,091</u>	<u>6,445</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	76,160	70,571	75,679
Other	-	-	-
Total Fees and Charges	<u>76,160</u>	<u>70,571</u>	<u>75,679</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (housing surplus)	1,300	-	1,621
Total other segmented revenue	<u>77,460</u>	<u>70,571</u>	<u>77,300</u>
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>77,460</u>	<u>70,571</u>	<u>77,300</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>77,460</u>	<u>70,571</u>	<u>77,300</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	8,297
Other (licenses & permits)	5,410	6,340	5,037
Total Fees and Charges	<u>5,410</u>	<u>6,340</u>	<u>13,334</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>5,410</u>	<u>6,340</u>	<u>13,334</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>5,410</u>	<u>6,340</u>	<u>13,334</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>5,410</u>	<u>6,340</u>	<u>13,334</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (recreation fees)	54,207	54,492	71,646
Total Fees and Charges	<u>54,207</u>	<u>54,492</u>	<u>71,646</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>54,207</u>	<u>54,492</u>	<u>71,646</u>
Conditional Grants			
Student Employment	-	-	-
Local government-Operating	117,200	104,469	18,957
Donations	-	-	-
Other (Sask. lotteries)	9,800	9,800	9,800
Total Conditional Grants	<u>127,000</u>	<u>114,269</u>	<u>28,757</u>
Total Operating	<u>181,207</u>	<u>168,761</u>	<u>100,403</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local Government-Capital	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>181,207</u>	<u>168,761</u>	<u>100,403</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 521,510	537,734	552,368
Sewer	82,800	89,972	80,264
Other	-	-	-
Total Fees and Charges	<u>604,310</u>	<u>627,706</u>	<u>632,632</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>604,310</u>	<u>627,706</u>	<u>632,632</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>604,310</u>	<u>627,706</u>	<u>632,632</u>
Capital			
Conditional Grants			
Federal Gas Tax	40,592	60,888	73,630
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>40,592</u>	<u>60,888</u>	<u>73,630</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>644,902</u>	<u>688,594</u>	<u>706,262</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 1,021,436</u>	<u>1,079,871</u>	<u>1,001,690</u>
SUMMARY			
Total Other Segmented Revenue	\$ 730,717	784,756	875,133
Total Conditional Grants	151,242	135,342	52,927
Total Capital Grants and Contributions	139,477	159,773	73,630
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 1,021,436</u>	<u>1,079,871</u>	<u>1,001,690</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 19,800	14,800	12,200
Wages and benefits	115,790	114,545	161,401
Professional/Contractual services	86,048	51,854	56,154
Utilities	9,570	8,232	9,142
Maintenance, materials, and supplies	14,850	12,445	7,352
Grants and contributions	-	325	-
			-
Amortization	1,602	3,534	1,602
Interest	790	673	783
Allowance for uncollectibles	200	(1,997)	10
General Government Services	<u>248,650</u>	<u>204,411</u>	<u>248,644</u>
Restructuring	-	-	-
Total General Government Services	<u>248,650</u>	<u>204,411</u>	<u>248,644</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	39,570	41,846	42,206
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
			-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	4,700	5,800	3,344
Professional/Contractual services	18,088	11,665	12,177
Utilities	6,570	5,052	6,454
Maintenance, materials, and supplies	49,325	46,452	19,769
Grants and contributions	-	-	-
			-
Amortization	13,490	15,119	12,319
Interest	-	-	11
Other	-	-	-
Protective Services	<u>131,743</u>	<u>125,934</u>	<u>96,280</u>
Restructuring	-	-	-
Total Protective Services	<u>131,743</u>	<u>125,934</u>	<u>96,280</u>
TRANSPORTATION SERVICES			
Wages and benefits	77,270	79,645	85,616
Professional/Contractual services	22,010	15,869	18,858
Utilities	18,370	14,814	16,690
Maintenance, materials, and supplies	43,610	26,779	34,619
Gravel	6,500	1,985	2,962
Grants and contributions	-	-	-
			-
Amortization - Transportation services	67,225	70,498	68,067
Interest	-	-	-
Other	-	-	-
Transportation Services	<u>234,985</u>	<u>209,590</u>	<u>226,812</u>
Restructuring	-	-	-
Total Transportation Services	<u>234,985</u>	<u>209,590</u>	<u>226,812</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
ENVIRONMENTAL SERVICES			
Wages and benefits	-	-	-
Contractual services	84,674	77,384	85,653
Utilities	-	-	-
Maintenance, materials, and supplies	1,500	707	-
Grants and contributions			
-operating	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
-capital	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>86,174</u>	<u>78,091</u>	<u>85,653</u>
Restructuring	-	-	-
Total Environmental and Public Health Services	<u>86,174</u>	<u>78,091</u>	<u>85,653</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Contractual services	8,000	14,383	3,152
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization - Planning and development services	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>8,000</u>	<u>14,383</u>	<u>3,152</u>
Restructuring	-	-	-
Total Planning and Development Services	<u>8,000</u>	<u>14,383</u>	<u>3,152</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	69,900	61,797	17,407
Contractual services	31,530	22,433	47,934
Utilities	11,420	10,258	11,199
Maintenance, materials, and supplies	37,120	28,877	56,874
Grants and contributions			
-operating	19,800	9,686	12,187
-capital	-	-	-
Amortization - Recreation and cultural services	13,815	13,815	13,815
Interest	30	28	37
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>183,615</u>	<u>146,894</u>	<u>159,453</u>
Restructuring	-	-	-
Total Recreation and Cultural Services	<u>183,615</u>	<u>146,894</u>	<u>159,453</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	73,060	71,122	71,708
Contractual services	220,750	224,489	207,203
Utilities	23,190	24,290	21,190
Maintenance, materials, and supplies	90,800	68,546	56,097
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	123,424	177,371	123,424
Interest	76,000	40,045	75,826
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>607,224</u>	<u>605,863</u>	<u>555,448</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>607,224</u>	<u>605,863</u>	<u>555,448</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 1,500,391</u>	<u>1,385,166</u>	<u>1,375,442</u>

See accompanying notes to the financial statements.

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 4,659	32,564	2,056	70,571	6,340	54,492	627,706	798,388
Tangible capital asset sales - Gain (loss)	-	-	(61,850)	-	-	-	-	(61,850)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	44,293	-	-	-	-	-	-	44,293
Other revenues	3,925	-	-	-	-	-	-	3,925
Grants - Conditional	-	21,073	-	-	-	114,269	-	135,342
Grants - Capital	-	-	98,885	-	-	-	60,888	159,773
Restructurings	-	-	-	-	-	-	-	-
Total revenues	52,877	53,637	39,091	70,571	6,340	168,761	688,594	1,079,871
Expenses (Schedule 3)								
Wages & Benefits	129,345	5,800	79,645	-	-	61,797	71,122	347,709
Professional/Contractual Services	51,854	53,511	15,869	77,384	14,383	22,433	224,489	459,923
Utilities	8,232	5,052	14,814	-	-	10,258	24,290	62,646
Maintenance, materials and supplies	12,445	46,452	28,764	707	-	28,877	68,546	185,791
Grants and contributions	325	-	-	-	-	9,686	-	10,011
Amortization	3,534	15,119	70,498	-	-	13,815	177,371	280,337
Interest	673	-	-	-	-	28	40,045	40,746
Allowance for uncollectibles	(1,997)	-	-	-	-	-	-	(1,997)
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	204,411	125,934	209,590	78,091	14,383	146,894	605,863	1,385,166
Surplus (deficit) by function	(151,534)	(72,297)	(170,499)	(7,520)	(8,043)	21,867	82,731	(305,295)
Taxation and other unconditional revenue (Schedule 1)								826,028
Net Surplus (Deficit)								\$ 520,733

See accompanying notes to the financial statements.



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 2,971	30,642	2,745	75,679	13,334	71,646	632,632	829,649
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
Grants - Capital	-	-	-	-	-	-	73,630	73,630
Restructurings	-	-	-	-	-	-	-	-
Total revenues	46,231	51,715	6,445	77,300	13,334	100,403	706,262	1,001,690
Expenses (Schedule 3)								
Wages & Benefits	173,601	3,344	85,616	-	-	17,407	71,708	351,676
Professional/Contractual Services	56,154	54,383	18,858	85,653	3,152	47,934	207,203	473,337
Utilities	9,142	6,454	16,690	-	-	11,199	21,190	64,675
Maintenance, materials and supplies	7,352	19,769	37,581	-	-	56,874	56,097	177,673
Grants and contributions	-	-	-	-	-	12,187	-	12,187
Amortization	1,602	12,319	68,067	-	-	13,815	123,424	219,227
Interest	783	11	-	-	-	37	75,826	76,657
Allowance for uncollectibles	10	-	-	-	-	-	-	10
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	248,644	96,280	226,812	85,653	3,152	159,453	555,448	1,375,442
Surplus (deficit) by function	(202,413)	(44,565)	(220,367)	(8,353)	10,182	(59,050)	150,814	(373,752)
Taxation and other unconditional revenue (Schedule 1)								778,264
Net Surplus (Deficit)								\$ 404,512

See accompanying notes to the financial statements.

TOWN OF HEPBURN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020
with comparative figures for 2019

	2020						2019	
	General Assets		Infrastructure Assets		General / Infrastructure Assets Under Construction		Total	(Restated) (Note 7) Total
	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total		
Asset cost								
Opening asset costs	\$ 87,300	1,123,777	324,000	269,920	11,753,726	-	13,568,047	13,437,211
Additions during the year	-	8,176	-	271,929	174,222	89,985	544,312	130,836
Disposals and write-downs during the year	-	-	-	(80,000)	-	-	(80,000)	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	<u>87,300</u>	<u>1,131,953</u>	<u>324,000</u>	<u>461,849</u>	<u>11,927,948</u>	<u>89,985</u>	<u>14,032,359</u>	<u>13,568,047</u>
Accumulated amortization cost								
Opening accumulated amortization costs	-	771,149	74,277	65,623	3,101,099	-	4,014,013	3,794,786
Add: Amortization taken	-	18,865	12,866	14,482	233,192	-	280,337	219,227
Less: Accumulated amortization on disposals	-	-	-	(12,000)	-	-	(12,000)	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>790,014</u>	<u>87,143</u>	<u>68,105</u>	<u>3,334,291</u>	<u>-</u>	<u>4,282,350</u>	<u>4,014,013</u>
Net book value	<u>\$ 87,300</u>	<u>341,939</u>	<u>236,857</u>	<u>393,744</u>	<u>8,593,657</u>	<u>89,985</u>	<u>9,750,009</u>	<u>9,554,034</u>
1. Total contributed/donated assets received in 2020:	\$ -	-	-	-	-	-	-	-
2. List of assets recognized at nominal value in 2020 are:								
-Infrastructure Assets	\$ -	-	-	-	-	-	-	-
-Vehicles	\$ -	-	-	-	-	-	-	-
-Machinery and Equipment	\$ -	-	-	-	-	-	-	-
3. Amount of interest capitalized in 2020:	\$ -	-	-	-	-	-	-	-

See accompanying notes to the financial statements.

TOWN OF HEPBURN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	2020						2019		
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	(Restated) (Note 7) Total
Asset cost									
Opening asset costs	\$ 166,634	441,142	2,361,838	-	-	723,803	9,874,630	13,568,047	13,437,211
Additions during the year	-	-	407,101	-	89,985	8,176	39,050	544,312	130,836
Disposals and write-downs during the year	-	-	(80,000)	-	-	-	-	(80,000)	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>166,634</u>	<u>441,142</u>	<u>2,688,939</u>	<u>-</u>	<u>89,985</u>	<u>731,979</u>	<u>9,913,680</u>	<u>14,032,359</u>	<u>13,568,047</u>
Accumulated amortization cost									
Opening accumulated amortization costs	5,467	197,151	1,205,114	-	-	630,664	1,975,617	4,014,013	3,794,786
Add: Amortization taken	3,534	15,119	70,498	-	-	13,815	177,371	280,337	219,227
Less: Accumulated amortization on disposals	-	-	(12,000)	-	-	-	-	(12,000)	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>9,001</u>	<u>212,270</u>	<u>1,263,612</u>	<u>-</u>	<u>-</u>	<u>644,479</u>	<u>2,152,988</u>	<u>4,282,350</u>	<u>4,014,013</u>
Net book value	<u>\$ 157,633</u>	<u>228,872</u>	<u>1,425,327</u>	<u>-</u>	<u>89,985</u>	<u>87,500</u>	<u>7,760,692</u>	<u>9,750,009</u>	<u>9,554,034</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2020

	<u>2019</u> (Restated) (Note 7)	<u>Changes</u>	<u>2020</u>
UNAPPROPRIATED SURPLUS	\$ <u>1,322,948</u>	<u>(147,897)</u>	<u>1,175,051</u>
APPROPRIATED RESERVES			
Reserve for machinery and equipment	158,000	-	158,000
Public reserve	600	-	600
Capital trust fund	-	-	-
Utility reserve	878,705	221,515	1,100,220
Other reserves	<u>646,550</u>	<u>83,975</u>	<u>730,525</u>
Total Appropriated	<u>1,683,855</u>	<u>305,490</u>	<u>1,989,345</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,554,034	195,975	9,750,009
Less: Related debt	<u>(1,210,118)</u>	<u>167,165</u>	<u>(1,042,953)</u>
Net Investment in Tangible Capital Assets	<u>8,343,916</u>	<u>363,140</u>	<u>8,707,056</u>
Total Accumulated Surplus	<u>\$ 11,350,719</u>	<u>520,733</u>	<u>11,871,452</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2020
with comparative figures for 2019

PROPERTY CLASS

	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	<u>Total</u>
\$	17,215	49,469,600	1,184,880	-	2,659,100	-	\$ 53,330,795
Taxable Assessment							
Regional Park Assessment							
Total Assessment							\$ 53,330,795
Mill Rate Factor(s)	1.0000	1.0000	1.0000	-	1.0000	-	
Total Base/Minimum Tax (generated for each property class)	600	345,375	-	-	16,200	-	362,175
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 675	560,568	5,154	-	27,767	-	594,164

MILLS

Average Municipal*	11.141
Average School*	4.226
Potash Mill Rate	-
Uniform Municipal Mill Rate	4.350

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

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2020
with comparative figures for 2019

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Chris Becker	\$ 2,975	33	3,008
Mayor	Jeff Peters	3,200	41	3,241
Councillor	Andrew Berg	425	-	425
Councillor	Chris Crockett	2,650	-	2,650
Councillor	Craig Kosowan	1,350	-	1,350
Councillor	Deidra Prosofsky	300	-	300
Councillor	Erica Baerwald	300	-	300
Councillor	Ken Jeschke	3,300	37	3,337
Councillor	Neal Mihalicz	300	-	300
Total		<u>\$ 14,800</u>	<u>111</u>	<u>14,911</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
SCHEDULE OF RESTRUCTURING
Year ended December 31, 2020

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	-
	<hr/>
Total Net Carrying Amount Received (Transferred)	\$ - <hr/> <hr/>

See accompanying notes to the financial statements.