

TOWN OF HEPBURN

Auditor's Report

Consolidated Financial Statements

December 31, 2021

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, 2021** 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, 2021** 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.

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 25, 2022


Chartered Professional Accountants

TOWN OF HEPBURN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement 1

December 31, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 3,291,943	3,020,891
Taxes Receivable - Municipal (Note 3)	25,639	54,549
Other accounts receivable (Note 4)	115,426	106,020
Land for re-sale (Note 5)	80	80
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Total financial assets	3,433,088	3,181,540
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	44,840	14,597
Accrued liabilities payable	-	-
Deposits	-	5,000
Deferred revenue	13,600	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 6)	1,310,660	1,042,952
Lease obligations	-	-
Total liabilities	1,369,100	1,062,549
NET FINANCIAL ASSETS (DEBT)	2,063,988	2,118,991
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	10,044,573	9,750,008
Prepaid and deferred charges	-	2,452
Stock and supplies	-	-
Total non-financial assets	10,044,573	9,752,460
Accumulated Surplus (Deficit) (Schedule 8)	\$ 12,108,561	11,871,451

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

TOWN OF HEPBURN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Statement 2

Year ended December 31, 2021
with comparative figures for 2020

		<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 792,536	790,801	826,028
Fees and charges	(Schedule 4, 5)	817,368	833,725	798,388
Conditional grants	(Schedule 4, 5)	98,895	61,844	135,342
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(17,000)	(61,850)
Land sales - gain	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	30,000	31,403	44,293
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>34,425</u>	<u>18,581</u>	<u>3,925</u>
Total Revenues		<u>1,773,224</u>	<u>1,719,354</u>	<u>1,746,126</u>
Expenditures:				
General government services	(Schedule 3)	291,996	266,413	204,413
Protective services	(Schedule 3)	136,282	89,054	125,934
Transportation services	(Schedule 3)	252,335	234,572	209,590
Environmental and public health services	(Schedule 3)	76,170	72,770	78,091
Planning and development services	(Schedule 3)	16,120	14,027	14,383
Recreation and cultural services	(Schedule 3)	318,057	269,752	146,894
Utility services	(Schedule 3)	651,000	619,489	605,863
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,741,960</u>	<u>1,566,077</u>	<u>1,385,168</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>31,264</u>	<u>153,277</u>	<u>360,958</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>42,518</u>	<u>83,833</u>	<u>159,773</u>
Surplus (deficit) of revenues over expenditures		73,782	237,110	520,731
Accumulated surplus (deficit), beginning of year		<u>11,871,451</u>	<u>11,871,451</u>	<u>11,350,720</u>
Accumulated surplus (deficit), end of year		<u>\$ 11,945,233</u>	<u>12,108,561</u>	<u>11,871,451</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, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Surplus (deficit)	\$ <u>73,782</u>	<u>237,110</u>	<u>520,731</u>
(Acquisition) of tangible capital assets	-	(614,611)	(544,312)
Amortization of tangible capital assets	-	295,046	280,338
Proceeds on disposal of tangible capital assets	-	8,000	6,150
Loss (gain) on disposal of tangible capital assets	-	17,000	61,850
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>-</u>	<u>(294,565)</u>	<u>(195,974)</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	-	(2,452)
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>2,452</u>	<u>-</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>2,452</u>	<u>(2,452)</u>
Increase (decrease) in Net Financial Assets	73,782	(55,003)	322,305
Net Financial Assets (Debt) - Beginning of the year	<u>2,118,991</u>	<u>2,118,991</u>	<u>1,796,686</u>
Net Financial Assets (Debt) - End of year	\$ <u>2,192,773</u>	<u>2,063,988</u>	<u>2,118,991</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

Statement 4

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2021
with comparative figures for 2020

Cash provided by (used in) the following activities:	<u>2021</u>	<u>2020</u>
Operating:		
Surplus (deficit)	\$ 237,110	520,731
Amortization	295,046	280,338
Loss (gain) on disposal of tangible capital assets	<u>17,000</u>	<u>61,850</u>
	549,156	862,919
Change in assets/liabilities		
Taxes receivable - Municipal	28,910	2,205
Other accounts receivable	(9,406)	(15,831)
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	30,244	13,903
Deposits	(5,000)	5,000
Deferred revenue	13,600	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	-	-
Prepayments and deferred charges	2,452	(2,452)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>609,956</u>	<u>865,744</u>
Capital:		
Acquisition of capital assets	(614,611)	(544,312)
Proceeds from the disposal of capital assets	8,000	6,150
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(606,611)</u>	<u>(538,162)</u>
Investing:		
Long-term investments	-	20
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>20</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	460,000	-
Long-term debt repaid	(192,293)	(167,165)
Other financing	<u>-</u>	<u>-</u>
Net cash from (used for) financing	<u>267,707</u>	<u>(167,165)</u>
Increase (decrease) in cash resources	271,052	160,437
Cash and temporary investments, beginning of year	<u>3,020,891</u>	<u>2,860,454</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 3,291,943</u>	<u>3,020,891</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

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, 2021

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, 2021

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:

<i>General Assets</i>	<u>Asset</u>	<u>Useful Life</u>
	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, 2021

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, 2021

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.

(s) **Budget Information**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 15, 2021.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2021</u>	<u>2020</u>
Cash	\$ 3,291,943	3,020,891
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 3,291,943</u>	<u>3,020,891</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, 2021

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2021</u>	<u>2020</u>
Municipal: - Current	\$ 17,638	27,185
- Arrears	<u>8,001</u>	<u>27,364</u>
	25,639	54,549
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>25,639</u>	<u>54,549</u>
School: - Current	6,787	9,830
- Arrears	<u>3,140</u>	<u>7,280</u>
Total school taxes receivable	<u>9,927</u>	<u>17,110</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	35,566	71,659
Deduct taxes receivable to be collected on behalf of other organizations	<u>(9,927)</u>	<u>(17,110)</u>
Total taxes receivable - Municipal	<u>\$ 25,639</u>	<u>54,549</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Federal government	\$ 25,211	30,504
Provincial government	8,386	15,471
Local government	-	-
Utility	50,971	50,561
Trade	30,858	9,484
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	115,426	106,020
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 115,426</u>	<u>106,020</u>

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

5. LAND FOR RESALE

	<u>2021</u>	<u>2020</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 \$1,406,274. 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>2021</u>	<u>2020</u>
Canada Mortgage and Housing Corporation debt, repayable in annual payments of \$111,172 including interest at 3.92%, matures in 2026.	\$ 512,709	603,842
Canada Mortgage and Housing Corporation debt, repayable in annual payments of \$96,038 including interest at 3.35%, matures in 2025.	356,978	439,110
Affinity Credit Union mortgage, repayable in annual payments of \$25,813 including interest at 2.25%, matures in 2026.	440,973	-
	\$ 1,310,660	1,042,952

Future principal and interest payments are as follows:

	Year	Principal	Interest	Current Total
2022		\$ 191,234	\$ 41,789	\$ 233,023
2023		197,693	35,330	233,023
2024		204,738	28,285	233,023
2025		212,039	20,984	233,023
2026		126,064	13,419	139,483
Thereafter		378,892	75,155	454,047
Balance		\$ 1,310,660	214,962	1,525,622

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

7. 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 2021 was \$27,855 (2020 - \$22,144). 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.

TOWN OF HEPBURN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

8. 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, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 607,233	607,233	594,164
Abatements and adjustments	(8,482)	(8,482)	(2,701)
Discount on current year taxes	<u>(23,000)</u>	<u>(25,253)</u>	<u>(22,885)</u>
Net municipal taxes	575,751	573,498	568,578
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	5,853	5,854	7,603
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	<u>581,604</u>	<u>579,352</u>	<u>576,181</u>
UNCONDITIONAL GRANTS			
Revenue sharing	156,378	156,378	157,785
Organized Hamlet	-	-	-
Other (Safe Restart)	-	-	41,042
Total Unconditional Grants	<u>156,378</u>	<u>156,378</u>	<u>198,827</u>
GRANTS IN LIEU OF TAXES			
Federal	2,429	2,430	2,476
Provincial			
S.P.C. Electrical	-	-	-
Sask. Energy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
Sasktel	8,625	8,626	8,974
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	28,500	29,418	24,601
Sask Energy Surcharge	15,000	14,597	14,969
Other	-	-	-
Total Grants in Lieu of Taxes	<u>54,554</u>	<u>55,071</u>	<u>51,020</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 792,536</u>	<u>790,801</u>	<u>826,028</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,200	1,903	2,928
Sales of supplies	850	1,231	1,125
Other (rent)	9,920	9,942	606
Total Fees and Charges	<u>12,970</u>	<u>13,076</u>	<u>4,659</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain	-	-	-
Investment income and commissions	30,000	31,403	44,293
Other Segmented Revenue (donations)	-	2,500	-
Total other segmented revenue	<u>42,970</u>	<u>46,979</u>	<u>48,952</u>
Conditional Grants			
Federal - Student Employment	5,612	3,211	-
Other	24,000	-	-
Total Conditional Grants	<u>29,612</u>	<u>3,211</u>	<u>-</u>
Total Operating	<u>72,582</u>	<u>50,190</u>	<u>48,952</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
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>72,582</u>	<u>50,190</u>	<u>48,952</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (fire calls)	13,000	18,396	32,564
Total Fees and Charges	<u>13,000</u>	<u>18,396</u>	<u>32,564</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>13,000</u>	<u>18,396</u>	<u>32,564</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>39,469</u>	<u>53,637</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
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>39,469</u>	<u>53,637</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 1,000	225	2,056
Sale of gravel and supplies	-	-	-
Road maintenance and restoration agreements	-	-	-
Other	-	-	-
Total Fees and Charges	<u>1,000</u>	<u>225</u>	<u>2,056</u>
Tangible capital asset sales - gain (loss)	-	-	(61,850)
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>1,000</u>	<u>225</u>	<u>(59,794)</u>
Conditional Grants			
Primary Weight Corridor	-	-	-
Federal - Student Employment	-	-	-
Other (traffic safety grant)	7,460	8,289	-
Total Conditional Grants	<u>7,460</u>	<u>8,289</u>	<u>-</u>
Total Operating	<u>8,460</u>	<u>8,514</u>	<u>(59,794)</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	-	-	98,885
Total Capital	<u>-</u>	<u>-</u>	<u>98,885</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>8,460</u>	<u>8,514</u>	<u>39,091</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	71,980	68,839	70,571
Other	-	-	-
Total Fees and Charges	<u>71,980</u>	<u>68,839</u>	<u>70,571</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (housing surplus)	500	-	-
Total other segmented revenue	<u>72,480</u>	<u>68,839</u>	<u>70,571</u>
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>72,480</u>	<u>68,839</u>	<u>70,571</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
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>72,480</u>	<u>68,839</u>	<u>70,571</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	-
Other (licenses & permits)	6,360	11,871	6,340
Total Fees and Charges	<u>6,360</u>	<u>11,871</u>	<u>6,340</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>6,360</u>	<u>11,871</u>	<u>6,340</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>6,360</u>	<u>11,871</u>	<u>6,340</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
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>6,360</u>	<u>11,871</u>	<u>6,340</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (recreation fees)	80,358	85,694	54,492
Total Fees and Charges	<u>80,358</u>	<u>85,694</u>	<u>54,492</u>
Tangible capital asset sales - gain (loss)	-	(17,000)	-
Other Segmented Revenue (fundraising & donations)	33,925	16,081	3,925
Total other segmented revenue	<u>114,283</u>	<u>84,775</u>	<u>58,417</u>
Conditional Grants			
Student Employment	-	-	-
Local government-Operating	27,950	14,015	104,469
Donations	-	-	-
Other (Sask. lotteries)	12,800	15,256	9,800
Total Conditional Grants	<u>40,750</u>	<u>29,271</u>	<u>114,269</u>
Total Operating	<u>155,033</u>	<u>114,046</u>	<u>172,686</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
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>155,033</u>	<u>114,046</u>	<u>172,686</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 555,230	559,933	537,734
Sewer	76,470	75,691	89,972
Other	-	-	-
Total Fees and Charges	<u>631,700</u>	<u>635,624</u>	<u>627,706</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>631,700</u>	<u>635,624</u>	<u>627,706</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>631,700</u>	<u>635,624</u>	<u>627,706</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	42,518	83,833	60,888
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>42,518</u>	<u>83,833</u>	<u>60,888</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>674,218</u>	<u>719,457</u>	<u>688,594</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 1,023,206</u>	<u>1,012,386</u>	<u>1,079,871</u>
SUMMARY			
Total Other Segmented Revenue	\$ 881,793	866,709	784,756
Total Conditional Grants	98,895	61,844	135,342
Total Capital Grants and Contributions	42,518	83,833	159,773
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 1,023,206</u>	<u>1,012,386</u>	<u>1,079,871</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 33,800	27,315	14,800
Wages and benefits	149,370	147,023	114,545
Professional/Contractual services	77,152	67,992	51,856
Utilities	11,055	11,108	8,232
Maintenance, materials, and supplies	15,735	7,467	12,445
Grants and contributions	-	871	325
-operating	-	-	-
-capital	-	-	-
Amortization	3,534	3,540	3,534
Interest	1,150	1,097	673
Allowance for uncollectibles	200	-	(1,997)
General Government Services	<u>291,996</u>	<u>266,413</u>	<u>204,413</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>291,996</u>	<u>266,413</u>	<u>204,413</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	49,116	43,342	41,846
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	6,250	5,075	5,800
Professional/Contractual services	18,615	11,923	11,665
Utilities	5,160	3,404	5,052
Maintenance, materials, and supplies	42,020	9,314	46,452
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	15,121	15,996	15,119
Interest	-	-	-
Other	-	-	-
Protective Services	<u>136,282</u>	<u>89,054</u>	<u>125,934</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>136,282</u>	<u>89,054</u>	<u>125,934</u>
TRANSPORTATION SERVICES			
Wages and benefits	81,250	88,927	79,645
Professional/Contractual services	31,105	14,425	15,869
Utilities	16,390	14,741	14,814
Maintenance, materials, and supplies	46,587	30,376	26,779
Gravel	6,500	3,126	1,985
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization - Transportation services	70,503	82,977	70,498
Interest	-	-	-
Other	-	-	-
Transportation Services	<u>252,335</u>	<u>234,572</u>	<u>209,590</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>252,335</u>	<u>234,572</u>	<u>209,590</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ENVIRONMENTAL SERVICES			
Wages and benefits	-	-	-
Contractual services	74,670	72,765	77,384
Utilities	-	-	-
Maintenance, materials, and supplies	1,500	5	707
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	-	-	-
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>76,170</u>	<u>72,770</u>	<u>78,091</u>
Restructuring	-	-	-
Total Environmental and Public Health Services	<u>76,170</u>	<u>72,770</u>	<u>78,091</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Contractual services	16,120	14,027	14,383
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization - Planning and development services	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>16,120</u>	<u>14,027</u>	<u>14,383</u>
Restructuring	-	-	-
Total Planning and Development Services	<u>16,120</u>	<u>14,027</u>	<u>14,383</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	102,432	82,944	61,797
Contractual services	76,495	65,418	22,433
Utilities	53,965	37,344	10,258
Maintenance, materials, and supplies	48,335	55,567	28,877
Grants and contributions			
-operating	17,800	6,924	9,686
-capital	-	-	-
Amortization - Recreation and cultural services	13,815	14,743	13,815
Interest	5,215	6,812	28
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>318,057</u>	<u>269,752</u>	<u>146,894</u>
Restructuring	-	-	-
Total Recreation and Cultural Services	<u>318,057</u>	<u>269,752</u>	<u>146,894</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	74,420	83,216	71,122
Contractual services	244,008	253,061	224,489
Utilities	24,770	21,243	24,290
Maintenance, materials, and supplies	90,430	49,983	68,546
Grants and contributions	-	-	-
	-operating	-	-
	-capital	-	-
Amortization	177,372	177,790	177,371
Interest	40,000	34,167	40,045
Allowance for uncollectibles	-	29	-
Other	-	-	-
Utility Services	<u>651,000</u>	<u>619,489</u>	<u>605,863</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>651,000</u>	<u>619,489</u>	<u>605,863</u>
 TOTAL EXPENDITURES BY FUNCTION	 <u>\$ 1,741,960</u>	 <u>1,566,077</u>	 <u>1,385,168</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

Schedule 4

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 13,076	18,396	225	68,839	11,871	85,694	635,624	833,725
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	(17,000)	-	(17,000)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	31,403	-	-	-	-	-	-	31,403
Other revenues	2,500	-	-	-	-	-	-	2,500
Grants - Conditional	3,211	21,073	8,289	-	-	16,081	-	48,654
Grants - Capital	-	-	-	-	-	29,271	-	29,271
Restructurings	-	-	-	-	-	-	83,833	83,833
Total revenues	<u>50,190</u>	<u>39,469</u>	<u>8,514</u>	<u>68,839</u>	<u>11,871</u>	<u>114,046</u>	<u>719,457</u>	<u>1,012,386</u>
Expenses (Schedule 3)								
Wages & Benefits	174,338	5,075	88,927	-	-	82,944	83,216	434,500
Professional/Contractual Services	67,992	55,265	14,425	72,765	14,027	65,418	253,061	542,953
Utilities	11,108	3,404	14,741	-	-	37,344	21,243	87,840
Maintenance, materials and supplies	7,467	9,314	33,502	5	-	55,567	49,983	155,838
Grants and contributions	871	-	-	-	-	6,924	-	7,795
Amortization	3,540	15,996	82,977	-	-	14,743	177,790	295,046
Interest	1,097	-	-	-	-	6,812	34,167	42,076
Allowance for uncollectibles	-	-	-	-	-	-	29	29
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>266,413</u>	<u>89,054</u>	<u>234,572</u>	<u>72,770</u>	<u>14,027</u>	<u>269,752</u>	<u>619,489</u>	<u>1,566,077</u>
Surplus (deficit) by function	(216,223)	(49,585)	(226,058)	(3,931)	(2,156)	(155,706)	99,968	(553,691)
Taxation and other unconditional revenue (Schedule 1)								<u>790,801</u>
Net Surplus (Deficit)								<u>\$ 237,110</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

Schedule 5

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	<u>48,952</u>	<u>53,637</u>	<u>39,091</u>	<u>70,571</u>	<u>6,340</u>	<u>172,686</u>	<u>688,594</u>	<u>1,079,871</u>
Expenses (Schedule 3)								
Wages & Benefits	129,345	5,800	79,645	-	-	61,797	71,122	347,709
Professional/Contractual Services	51,856	53,511	15,869	77,384	14,383	22,433	224,489	459,925
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	<u>204,413</u>	<u>125,934</u>	<u>209,590</u>	<u>78,091</u>	<u>14,383</u>	<u>146,894</u>	<u>605,863</u>	<u>1,385,168</u>
Surplus (deficit) by function	(155,461)	(72,297)	(170,499)	(7,520)	(8,043)	25,792	82,731	(305,297)
Taxation and other unconditional revenue (Schedule 1)								<u>826,028</u>
Net Surplus (Deficit)								<u>\$ 520,731</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2021
with comparative figures for 2020

	2021							Total	2020
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction		Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total		
Asset cost									
Opening asset costs	\$ 87,300	9,324	1,131,953	324,000	461,849	11,927,948	89,985	14,032,359	13,568,047
Additions during the year	-	-	512,190	44,422	38,160	18,779	1,060	614,611	544,312
Disposals and write-downs during the year	-	-	(93,980)	-	-	-	-	(93,980)	(80,000)
Transfers (from) assets under construction	-	-	89,985	-	-	-	(89,985)	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>87,300</u>	<u>9,324</u>	<u>1,640,148</u>	<u>368,422</u>	<u>500,009</u>	<u>11,946,727</u>	<u>1,060</u>	<u>14,552,990</u>	<u>14,032,359</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	2,797	790,014	87,143	68,105	3,334,292	-	4,282,351	4,014,013
Add: Amortization taken	-	932	19,030	12,866	26,700	235,518	-	295,046	280,338
Less: Accumulated amortization on disposals	-	-	(68,980)	-	-	-	-	(68,980)	(12,000)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>3,729</u>	<u>740,064</u>	<u>100,009</u>	<u>94,805</u>	<u>3,569,810</u>	<u>-</u>	<u>4,508,417</u>	<u>4,282,351</u>
Net book value	<u>\$ 87,300</u>	<u>5,595</u>	<u>900,084</u>	<u>268,413</u>	<u>405,204</u>	<u>8,376,917</u>	<u>1,060</u>	<u>10,044,573</u>	<u>9,750,008</u>
1. Total contributed/donated assets received in 2021:			\$ -						
2. List of assets recognized at nominal value in 2021 are:									
-Infrastructure Assets			\$ -						
-Vehicles			\$ -						
-Machinery and Equipment			\$ -						
3. Amount of interest capitalized in 2021:			\$ -						

See accompanying notes to the financial statements.

TOWN OF HEPBURN
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	2021							2020	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening asset costs	\$ 166,633	441,142	2,688,940	-	-	840,033	9,895,611	14,032,359	13,568,047
Additions during the year	2	-	44,421	-	-	551,409	18,779	614,611	544,312
Disposals and write-downs during the year	-	-	-	-	-	(93,980)	-	(93,980)	(80,000)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>166,635</u>	<u>441,142</u>	<u>2,733,361</u>	<u>-</u>	<u>-</u>	<u>1,297,462</u>	<u>9,914,390</u>	<u>14,552,990</u>	<u>14,032,359</u>
Accumulated amortization cost									
Opening accumulated amortization costs	9,000	212,270	1,263,614	-	-	644,479	2,152,988	4,282,351	4,014,013
Add: Amortization taken	3,540	15,996	82,977	-	-	14,743	177,790	295,046	280,338
Less: Accumulated amortization on disposals	-	-	-	-	-	(68,980)	-	(68,980)	(12,000)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>12,540</u>	<u>228,266</u>	<u>1,346,591</u>	<u>-</u>	<u>-</u>	<u>590,242</u>	<u>2,330,778</u>	<u>4,508,417</u>	<u>4,282,351</u>
Net book value	<u>\$ 154,095</u>	<u>212,876</u>	<u>1,386,770</u>	<u>-</u>	<u>-</u>	<u>707,220</u>	<u>7,583,612</u>	<u>10,044,573</u>	<u>9,750,008</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2021

	<u>2020</u>	<u>Changes</u>	<u>2021</u>
UNAPPROPRIATED SURPLUS	\$ <u>1,175,051</u>	<u>93,902</u>	<u>1,268,953</u>
APPROPRIATED RESERVES			
Reserve for machinery and equipment	158,000	(48,000)	110,000
Public reserve	600	-	600
Capital trust fund	-	-	-
Utility reserve	1,100,220	163,375	1,263,595
Other reserves	<u>730,525</u>	<u>975</u>	<u>731,500</u>
Total Appropriated	<u>1,989,345</u>	<u>116,350</u>	<u>2,105,695</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,750,008	294,565	10,044,573
Less: Related debt	<u>(1,042,953)</u>	<u>(267,707)</u>	<u>(1,310,660)</u>
Net Investment in Tangible Capital Assets	<u>8,707,055</u>	<u>26,858</u>	<u>8,733,913</u>
Total Accumulated Surplus	\$ <u>11,871,451</u>	<u>237,110</u>	<u>12,108,561</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2021
with comparative figures for 2020

	<u>PROPERTY CLASS</u>						<u>Total</u>
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 21,780	48,238,400	1,269,200	-	1,925,760	-	51,455,140
Regional Park Assessment							-
Total Assessment							51,455,140
Mill Rate Factor(s)	1.3000	1.0100	1.0100	-	1.4000		
Total Base/Minimum Tax (generated for each property class)	<u>600</u>	<u>350,025</u>	<u>-</u>	<u>-</u>	<u>16,700</u>		<u>367,325</u>
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ <u>729</u>	<u>571,704</u>	<u>5,833</u>	<u>-</u>	<u>28,967</u>		<u>607,233</u>

<u>MILL RATES:</u>	<u>MILLS</u>
Average Municipal*	11.801
Average School*	4.544
Potash Mill Rate	-
Uniform Municipal Mill Rate	4.550

* 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, 2021
with comparative figures for 2020

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Chris Becker	\$ 7,550	766	8,316
Councillor	Erica Baerwald	5,700	271	5,971
Councillor	Andrew Berg	4,500	-	4,500
Councillor	Neil Mihalicz	4,275	-	4,275
Councillor	Deidra Prosofsky	4,550	-	4,550
Total		<u>\$ 26,575</u>	<u>1,037</u>	<u>27,612</u>

See accompanying notes to the financial statements.

TOWN OF HEPBURN
SCHEDULE OF RESTRUCTURING
Year ended December 31, 2021

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/>

See accompanying notes to the financial statements.