

# **TOWN OF HEPBURN**

**Auditor's Report**

**Consolidated Financial Statements**

**December 31, 2022**

## MANAGEMENT'S RESPONSIBILITY

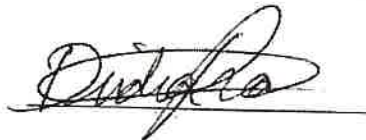
To the Ratepayers of  
**Town of Hepburn :**

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.

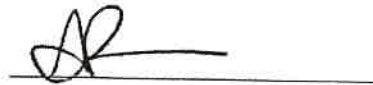
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately 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 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 Financial Statements*

#### *Opinion*

We have audited the financial statements of **Town of Hepburn**, which comprise the statement of financial position as at **December 31, 2022** and the 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 financial statements, present fairly, in all material respects, the financial position of the Town as at **December 31, 2022** 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 Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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  
June 12, 2023

  
Chartered Professional Accountants

# TOWN OF HEPBURN

## STATEMENT OF FINANCIAL POSITION

Statement 1

December 31, 2022  
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 2,658,736	3,291,943
Taxes Receivable - Municipal (Note 3)	28,083	25,639
Other accounts receivable (Note 4)	359,304	115,426
Assets held for sale (Note 5)	80	80
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
	3,046,203	3,433,088
<b><u>LIABILITIES</u></b>		
Bank indebtedness	-	-
Accounts payable	25,541	44,840
Accrued liabilities payable	-	-
Deposits	2,220	-
Deferred revenue	12,852	13,600
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 6)	1,088,157	1,310,660
Lease obligations	-	-
	1,128,770	1,369,100
Total liabilities	1,128,770	1,369,100
<b>NET FINANCIAL ASSETS (DEBT)</b>	1,917,433	2,063,988
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	10,544,240	10,044,573
Prepaid and deferred charges	-	-
Stock and supplies	-	-
	10,544,240	10,044,573
Total non-financial assets	10,544,240	10,044,573
Accumulated Surplus (Deficit) (Schedule 8)	\$ 12,461,673	12,108,561

**APPROVED ON BEHALF OF COUNCIL:**

\_\_\_\_\_ Mayor

\_\_\_\_\_ Councillor

See accompanying notes to the financial statements.

# TOWN OF HEPBURN

Statement 2

## STATEMENT OF FINANCIAL ACTIVITIES

**Year ended December 31, 2022**  
with comparative figures for 2021

		<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Revenues:</b>				
Taxes and other unconditional revenue	(Schedule 1)	\$ 821,553	825,298	790,801
Fees and charges	(Schedule 4, 5)	915,665	916,491	833,725
Conditional grants	(Schedule 4, 5)	175,536	201,463	61,844
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	293	(17,000)
Land sales - gain	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	21,000	33,013	31,403
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>36,900</u>	<u>108,889</u>	<u>18,581</u>
<b>Total Revenues</b>		<b>1,970,654</b>	<b>2,085,447</b>	<b>1,719,354</b>
<b>Expenditures:</b>				
General government services	(Schedule 3)	300,258	259,264	266,414
Protective services	(Schedule 3)	150,981	110,008	89,054
Transportation services	(Schedule 3)	266,782	248,299	234,572
Environmental and public health services	(Schedule 3)	96,526	93,577	72,770
Planning and development services	(Schedule 3)	13,600	7,218	14,027
Recreation and cultural services	(Schedule 3)	460,060	479,580	269,752
Utility services	(Schedule 3)	646,394	555,648	619,489
Restructurings	(Schedule 3)	-	-	-
<b>Total Expenditures</b>		<b><u>1,934,601</u></b>	<b><u>1,753,594</u></b>	<b><u>1,566,078</u></b>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>36,053</u>	<u>331,853</u>	<u>153,276</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>21,259</u>	<u>21,259</u>	<u>83,833</u>
Surplus (deficit) of revenues over expenditures		57,312	353,112	237,109
Accumulated surplus (deficit), beginning of year		<u>12,108,561</u>	<u>12,108,561</u>	<u>11,871,452</u>
Accumulated surplus (deficit), end of year		<b><u>\$ 12,165,873</u></b>	<b><u>12,461,673</u></b>	<b><u>12,108,561</u></b>

See accompanying notes to the financial statements.

# TOWN OF HEPBURN

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ <u>57,312</u>	<u>353,112</u>	<u>237,109</u>
(Acquisition) of tangible capital assets	(956,785)	(813,984)	(614,611)
Amortization of tangible capital assets	295,051	312,874	295,045
Proceeds on disposal of tangible capital assets	-	1,736	8,000
Loss (gain) on disposal of tangible capital assets	-	(293)	17,000
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>(661,734)</u>	<u>(499,667)</u>	<u>(294,566)</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	-	2,452
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>(661,734)</u>	<u>-</u>	<u>2,452</u>
<b>Increase (decrease) in Net Financial Assets</b>	(1,266,156)	(146,555)	(55,005)
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>2,063,988</u>	<u>2,063,988</u>	<u>2,118,993</u>
<b>Net Financial Assets (Debt) - End of year</b>	\$ <u>797,832</u>	<u>1,917,433</u>	<u>2,063,988</u>

See accompanying notes to the financial statements.

# TOWN OF HEPBURN

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
<b>Cash provided by (used in) the following activities:</b>		
Operating:		
Surplus (deficit)	\$ 353,112	237,109
Amortization	312,874	295,046
Loss (gain) on disposal of tangible capital assets	<u>(293)</u>	<u>17,000</u>
	665,693	549,155
Change in assets/liabilities		
Taxes receivable - Municipal	(2,443)	28,910
Other accounts receivable	(243,878)	(9,406)
Assets held for sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	(19,300)	30,245
Deposits	2,220	(5,000)
Deferred revenue	(748)	13,600
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>401,544</u>	<u>609,956</u>
Capital:		
Cash used to acquire tangible capital assets	(813,983)	(614,611)
Proceeds on sale of tangible capital assets	1,736	8,000
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(812,247)</u>	<u>(606,611)</u>
Investing:		
Proceeds on disposal of investments	-	-
Acquisition in investment	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Proceeds from debt issues	-	460,000
Debt repayment	(222,504)	(192,293)
Other financing	<u>-</u>	<u>-</u>
Net cash from (used for) financing	<u>(222,504)</u>	<u>267,707</u>
Increase (decrease) in cash resources	(633,207)	271,052
Cash and temporary investments, beginning of year	<u>3,291,943</u>	<u>3,020,891</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 2,658,736</u>	<u>3,291,943</u>

See accompanying notes to the financial statements.



# TOWN OF HEPBURN

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

The 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.

**Partnerships**

A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership.

**(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) Other (Non-Government Transfer) Contributions**

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

**(f) 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.

**(g) 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 FINANCIAL STATEMENTS

December 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(h) 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.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) 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.

**(m) 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 FINANCIAL STATEMENTS

December 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) **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.

#### (o) **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 FINANCIAL STATEMENTS

December 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(p) Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

The Town does not have any contaminated sites.

**(q) 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.

**(r) 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.

**(s) 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 FINANCIAL STATEMENTS

December 31, 2022

### 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.

**(t) Assets held for sale**

The municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset, and the sale is reasonable anticipated to be completed within one year of the financial statement date.

**(u) Budget Information**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on July 13, 2022.

### 2. CASH AND TEMPORARY INVESTMENTS

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,658,736	3,291,943
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 2,658,736</u>	<u>3,291,943</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 FINANCIAL STATEMENTS**

December 31, 2022

**3. TAXES AND GRANTS IN LIEU RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Municipal: - Current	\$ 20,479	17,638
- Arrears	<u>7,604</u>	<u>8,001</u>
	28,083	25,639
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>28,083</u>	<u>25,639</u>
School: - Current	7,555	6,787
- Arrears	<u>2,508</u>	<u>3,140</u>
Total school taxes receivable	<u>10,063</u>	<u>9,927</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	38,146	35,566
Deduct taxes receivable to be collected on behalf of other organizations	<u>(10,063)</u>	<u>(9,927)</u>
Total taxes receivable - Municipal	<u>\$ 28,083</u>	<u>25,639</u>

**4. OTHER ACCOUNTS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Federal government	\$ 45,265	25,211
Provincial government	120,433	8,386
Local government	58,122	20,400
Utility	59,051	50,971
Trade	76,433	10,458
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	359,304	115,426
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 359,304</u>	<u>115,426</u>

# TOWN OF HEPBURN

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 5. ASSETS HELD FOR SALE

	<u>2022</u>	<u>2021</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 \$1,436,500. 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>2022</u>	<u>2021</u>
Canada Mortgage and Housing Corporation debt, repayable in annual payments of \$111,172 including interest at 3.92%, matures in 2026.	\$ 417,515	512,709
Canada Mortgage and Housing Corporation debt, repayable in annual payments of \$96,038 including interest at 3.35%, matures in 2025.	272,095	356,978
Affinity Credit Union mortgage, repayable in annual payments of \$25,813 including interest at 2.25%, matures in 2026.	398,547	440,973
	\$ 1,088,157	1,310,660

Future principal and interest payments are as follows:

	Year	Principal	Interest	Current Total
2023		\$ 198,735	34,288	233,023
2024		205,524	27,499	233,023
2025		212,846	20,178	233,024
2026		126,196	12,591	138,787
2027		32,594	7,911	40,505
Thereafter		312,262	54,460	366,722
Balance		\$ 1,088,157	156,927	1,245,084

# TOWN OF HEPBURN

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 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 2022 was \$32,423 (2021 - \$27,855). 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.

Total current service contributions by the municipality to MEPP in 2022 were \$32,423 (2021 - \$27,855). Total current service contributions by the employees of the municipality to MEPP in 2022 were \$32,423 (2021 - \$27,855).

Based on the latest information available (December 31, 2022 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$1,021,301,000. This is based on the most recent actuarial valuation, completed December 31, 2021. The Town's portion of this is not readily determinable.



# TOWN OF HEPBURN

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 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, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 622,287	622,287	607,233
Abatements and adjustments	(2,800)	(2,813)	(8,482)
Discount on current year taxes	(25,300)	(25,708)	(25,253)
<b>Net municipal taxes</b>	<u>594,187</u>	<u>593,766</u>	<u>573,498</u>
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	3,024	3,025	5,854
Special tax levy	-	-	-
Other	-	-	-
<b>Total Taxes</b>	<u>597,211</u>	<u>596,791</u>	<u>579,352</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue sharing	168,788	168,781	156,378
Organized Hamlet	-	-	-
Other (Safe Restart)	-	-	-
<b>Total Unconditional Grants</b>	<u>168,788</u>	<u>168,781</u>	<u>156,378</u>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	2,429	2,466	2,430
Provincial			
S.P.C. Electrical	-	-	-
Sask. Energy Gas	15,000	19,915	14,597
TransGas	-	-	-
Central Services	-	-	-
Sasktel	8,625	9,057	8,626
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	29,500	28,288	29,418
Sask Energy Surcharge	-	-	-
Other	-	-	-
<b>Total Grants in Lieu of Taxes</b>	<u>55,554</u>	<u>59,726</u>	<u>55,071</u>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<u>\$ 821,553</u>	<u>825,298</u>	<u>790,801</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,200	2,460	1,903
Sales of supplies	1,160	1,957	1,231
Other (rent)	11,595	11,677	9,942
Total Fees and Charges	<u>14,955</u>	<u>16,094</u>	<u>13,076</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain	-	-	-
Investment income and commissions	21,000	33,013	31,403
Other Segmented Revenue (donations)	5,400	6,400	2,500
Total other segmented revenue	<u>41,355</u>	<u>55,507</u>	<u>46,979</u>
Conditional Grants			
Federal - Student Employment	1,654	6,385	3,211
Other	-	-	-
Total Conditional Grants	<u>1,654</u>	<u>6,385</u>	<u>3,211</u>
<b>Total Operating</b>	<u>43,009</u>	<u>61,892</u>	<u>50,190</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>43,009</u>	<u>61,892</u>	<u>50,190</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other (fire calls)	18,000	12,661	18,396
Total Fees and Charges	<u>18,000</u>	<u>12,661</u>	<u>18,396</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (donations)	-	76,174	-
Total other segmented revenue	<u>18,000</u>	<u>88,835</u>	<u>18,396</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>
<b>Total Operating</b>	<u>39,073</u>	<u>109,908</u>	<u>39,469</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial - Disaster Assistance	-	-	-
Local Government-Capital	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>39,073</u>	<u>109,908</u>	<u>39,469</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 1,000	-	225
Sale of gravel and supplies	-	-	-
Road maintenance and restoration agreements	-	-	-
Other	-	-	-
Total Fees and Charges	<u>1,000</u>	<u>-</u>	<u>225</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>1,000</u>	<u>-</u>	<u>225</u>
Conditional Grants			
Primary Weight Corridor	-	-	-
Federal - Student Employment	-	-	-
Other (traffic safety grant)	-	-	8,289
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>8,289</u>
<b>Total Operating</b>	<u>1,000</u>	<u>-</u>	<u>8,514</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transportation Services</b>	<u>1,000</u>	<u>-</u>	<u>8,514</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	75,600	77,176	68,839
Other	-	-	-
Total Fees and Charges	<u>75,600</u>	<u>77,176</u>	<u>68,839</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>75,600</u>	<u>77,176</u>	<u>68,839</u>
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	13,449	13,450	-
Other	-	-	-
Total Conditional Grants	<u>13,449</u>	<u>13,450</u>	<u>-</u>
<b>Total Operating</b>	<u>89,049</u>	<u>90,626</u>	<u>68,839</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
TAPD	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services Services</b>	<u>89,049</u>	<u>90,626</u>	<u>68,839</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	-
Other (licenses & permits)	8,320	9,163	11,871
Total Fees and Charges	<u>8,320</u>	<u>9,163</u>	<u>11,871</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>8,320</u>	<u>9,163</u>	<u>11,871</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>8,320</u>	<u>9,163</u>	<u>11,871</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Planning and Development Services</b>	<u>8,320</u>	<u>9,163</u>	<u>11,871</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other (recreation fees)	168,690	176,450	85,694
Total Fees and Charges	<u>168,690</u>	<u>176,450</u>	<u>85,694</u>
Tangible capital asset sales - gain (loss)	-	293	(17,000)
Other Segmented Revenue (fundraising & donations)	31,500	26,315	16,081
Total other segmented revenue	<u>200,190</u>	<u>203,058</u>	<u>84,775</u>
Conditional Grants			
Student Employment	-	-	-
Local government-Operating	16,565	38,260	14,015
Donations	-	-	-
Other (ICIP & Sask. lotteries)	122,795	122,295	15,256
Total Conditional Grants	<u>139,360</u>	<u>160,555</u>	<u>29,271</u>
<b>Total Operating</b>	<u>339,550</u>	<u>363,613</u>	<u>114,046</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	21,259	21,259	83,833
Local Government-Capital	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>21,259</u>	<u>21,259</u>	<u>83,833</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Recreation and Cultural Services</b>	<u>360,809</u>	<u>384,872</u>	<u>197,879</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 553,500	548,919	559,933
Sewer	75,600	76,028	75,691
Other	-	-	-
Total Fees and Charges	<u>629,100</u>	<u>624,947</u>	<u>635,624</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>629,100</u>	<u>624,947</u>	<u>635,624</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>629,100</u>	<u>624,947</u>	<u>635,624</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Utility Services</b>	<u>629,100</u>	<u>624,947</u>	<u>635,624</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 1,170,360</u>	<u>1,281,408</u>	<u>1,012,386</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 973,565	1,058,686	866,709
Total Conditional Grants	175,536	201,463	61,844
Total Capital Grants and Contributions	21,259	21,259	83,833
Restructuring Revenue	-	-	-
<b>TOTAL REVENUE BY FUNCTION</b>	<u>\$ 1,170,360</u>	<u>1,281,408</u>	<u>1,012,386</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 25,000	19,225	27,315
Wages and benefits	172,570	160,967	147,023
Professional/Contractual services	71,248	58,267	67,993
Utilities	12,400	12,759	11,108
Maintenance, materials, and supplies	14,100	3,814	7,467
Grants and contributions	-	-	871
	-operating	-	-
	-capital	-	-
Amortization	3,540	3,534	3,540
Interest	1,200	698	1,097
Allowance for uncollectibles	200	-	-
<b>General Government Services</b>	<u>300,258</u>	<u>259,264</u>	<u>266,414</u>
<b>Restructuring</b>	-	-	-
<b>Total General Government Services</b>	<u>300,258</u>	<u>259,264</u>	<u>266,414</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	56,878	64,634	43,342
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
	-operating	-	-
	-capital	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	12,100	6,738	5,075
Professional/Contractual services	18,826	13,457	11,923
Utilities	5,160	4,039	3,404
Maintenance, materials, and supplies	42,020	5,143	9,314
Grants and contributions	-	-	-
	-operating	-	-
	-capital	-	-
Amortization	15,997	15,996	15,996
Interest	-	1	-
Other	-	-	-
<b>Protective Services</b>	<u>150,981</u>	<u>110,008</u>	<u>89,054</u>
<b>Restructuring</b>	-	-	-
<b>Total Protective Services</b>	<u>150,981</u>	<u>110,008</u>	<u>89,054</u>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	91,998	92,664	88,927
Professional/Contractual services	27,785	18,623	14,425
Utilities	16,350	16,497	14,741
Maintenance, materials, and supplies	41,170	29,725	30,376
Gravel	6,500	3,374	3,126
Grants and contributions	-	-	-
	-operating	-	-
	-capital	-	-
Amortization	82,979	87,416	82,977
Interest	-	-	-
Other	-	-	-
<b>Transportation Services</b>	<u>266,782</u>	<u>248,299</u>	<u>234,572</u>
<b>Restructuring</b>	-	-	-
<b>Total Transportation Services</b>	<u>266,782</u>	<u>248,299</u>	<u>234,572</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>ENVIRONMENTAL SERVICES</b>			
Wages and benefits	-	-	-
Contractual services	95,026	93,234	72,765
Utilities	-	-	-
Maintenance, materials, and supplies	1,500	343	5
Grants and contributions	-	-	-
-operating	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
-capital	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Environmental and Public Health Services</b>	<u>96,526</u>	<u>93,577</u>	<u>72,770</u>
<b>Restructuring</b>	-	-	-
<b>Total Environmental and Public Health Services</b>	<u>96,526</u>	<u>93,577</u>	<u>72,770</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Contractual services	13,600	7,218	14,027
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Planning and Development Services</b>	<u>13,600</u>	<u>7,218</u>	<u>14,027</u>
<b>Restructuring</b>	-	-	-
<b>Total Planning and Development Services</b>	<u>13,600</u>	<u>7,218</u>	<u>14,027</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	164,310	195,823	82,944
Contractual services	96,406	81,165	65,418
Utilities	95,660	76,416	37,344
Maintenance, materials, and supplies	72,300	82,343	55,567
Grants and contributions	-	-	-
-operating	8,600	5,753	6,924
-capital	-	-	-
Amortization	14,744	27,888	14,743
Interest	8,040	10,192	6,812
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Recreation and Cultural Services</b>	<u>460,060</u>	<u>479,580</u>	<u>269,752</u>
<b>Restructuring</b>	-	-	-
<b>Total Recreation and Cultural Services</b>	<u>460,060</u>	<u>479,580</u>	<u>269,752</u>

See accompanying notes to the financial statements.



## TOWN OF HEPBURN

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
Wages and benefits	84,320	53,223	83,216
Contractual services	272,973	238,509	253,061
Utilities	21,840	23,498	21,243
Maintenance, materials, and supplies	52,970	33,704	49,983
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	177,791	178,040	177,790
Interest	36,500	28,674	34,167
Allowance for uncollectibles	-	-	29
Other	-	-	-
<b>Utility Services</b>	<u>646,394</u>	<u>555,648</u>	<u>619,489</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Utility Services</b>	<u>646,394</u>	<u>555,648</u>	<u>619,489</u>
<b>TOTAL EXPENDITURES BY FUNCTION</b>	<u>\$ 1,934,601</u>	<u>1,753,594</u>	<u>1,566,078</u>

See accompanying notes to the financial statements.

**TOWN OF HEPBURN**  
**SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**

Year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 16,094	12,661	-	77,176	9,163	176,450	624,947	916,491
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	293	-	293
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	33,013	-	-	-	-	-	-	33,013
Other revenues	6,400	76,174	-	-	-	26,315	-	108,889
Grants - Conditional	6,385	21,073	-	13,450	-	160,555	-	201,463
Grants - Capital	-	-	-	-	-	21,259	-	21,259
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>61,892</u>	<u>109,908</u>	<u>-</u>	<u>90,626</u>	<u>9,163</u>	<u>384,872</u>	<u>624,947</u>	<u>1,281,408</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	180,192	6,738	92,664	-	-	195,823	53,223	528,640
Professional/Contractual Services	58,267	78,091	18,623	93,234	7,218	81,165	238,509	575,107
Utilities	12,759	4,039	16,497	-	-	76,416	23,498	133,209
Maintenance, materials and supplies	3,814	5,143	33,099	343	-	82,343	33,704	158,446
Grants and contributions	-	-	-	-	-	5,753	-	5,753
Amortization	3,534	15,996	87,416	-	-	27,888	178,040	312,874
Interest	698	1	-	-	-	10,192	28,674	39,565
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<u>259,264</u>	<u>110,008</u>	<u>248,299</u>	<u>93,577</u>	<u>7,218</u>	<u>479,580</u>	<u>555,648</u>	<u>1,753,594</u>
<b>Surplus (deficit) by function</b>	(197,372)	(100)	(248,299)	(2,951)	1,945	(94,708)	69,299	(472,186)
Taxation and other unconditional revenue (Schedule 1)								
<b>Net Surplus (Deficit)</b>								<u>\$ 353,112</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

### 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
<b>Revenues (Schedule 2)</b>								
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	-	-	-	-	16,081	-	18,581
Grants - Conditional	3,211	21,073	8,289	-	-	29,271	-	61,844
Grants - Capital	-	-	-	-	-	83,833	-	83,833
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>50,190</u>	<u>39,469</u>	<u>8,514</u>	<u>68,839</u>	<u>11,871</u>	<u>197,879</u>	<u>635,624</u>	<u>1,012,386</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	174,338	5,075	88,927	-	-	82,944	83,216	434,500
Professional/Contractual Services	67,993	55,265	14,425	72,765	14,027	65,418	253,061	542,954
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	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<u>266,414</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>1,566,078</u>
<b>Surplus (deficit) by function</b>	<u>(216,224)</u>	<u>(49,585)</u>	<u>(226,058)</u>	<u>(3,931)</u>	<u>(2,156)</u>	<u>(71,873)</u>	<u>16,135</u>	<u>(553,692)</u>
Taxation and other unconditional revenue (Schedule 1)								<u>790,801</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 237,109</u>

See accompanying notes to the financial statements.

## TOWN OF HEPBURN

## SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2022  
with comparative figures for 2021

	2022							2021	
	General Assets			Infrastructure Assets		General / Infrastructure Assets Under Construction		Total	Total
	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets				
<b>Asset cost</b>									
Opening asset costs	\$ 87,300	1,640,148	368,422	500,009	11,946,726	1,060	14,552,989	14,032,359	
Additions during the year	-	29,479	116,645	21,715	-	480,798	813,984	614,610	
Disposals and write-downs during the year	-	-	(21,645)	-	-	-	(21,645)	(93,980)	
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	
<b>Closing asset costs</b>	<u>87,300</u>	<u>1,669,627</u>	<u>463,422</u>	<u>521,724</u>	<u>11,946,726</u>	<u>481,858</u>	<u>15,345,328</u>	<u>14,552,989</u>	
<b>Accumulated amortization cost</b>									
Opening accumulated amortization costs	-	740,063	100,010	94,805	3,569,809	-	4,508,416	4,282,351	
Add: Amortization taken	-	31,073	37,511	7,593	235,765	-	312,874	295,045	
Less: Accumulated amortization on disposals	-	-	(20,202)	-	-	-	(20,202)	(68,980)	
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	
<b>Closing accumulated amortization costs</b>	<u>4,661</u>	<u>771,136</u>	<u>117,319</u>	<u>102,398</u>	<u>3,805,574</u>	<u>-</u>	<u>4,801,088</u>	<u>4,508,416</u>	
<b>Net book value</b>	<u>\$ 87,300</u>	<u>170,010</u>	<u>346,103</u>	<u>419,326</u>	<u>8,141,152</u>	<u>481,858</u>	<u>10,544,240</u>	<u>10,044,573</u>	
1. Total contributed/donated assets received in 2022:	\$ -	-	-	-	-	-	-	-	
2. List of assets recognized at nominal value in 2022 are:									
-Infrastructure Assets	\$ -	-	-	-	-	-	-	-	
-Vehicles	\$ -	-	-	-	-	-	-	-	
-Machinery and Equipment	\$ -	-	-	-	-	-	-	-	
3. Amount of interest capitalized in 2022:	\$ -	-	-	-	-	-	-	-	

See accompanying notes to the financial statements.

TOWN OF HEPBURN

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2022

with comparative figures for 2021

	2022						2021	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
<b>Asset cost</b>								
Opening asset costs	\$ 166,633	441,142	2,733,362	-	-	1,297,463	9,914,389	14,552,989
Additions during the year	2	122,271	16,087	-	-	675,624	-	813,984
Disposals and write-downs during the year	-	-	-	-	-	(21,645)	-	(21,645)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>166,635</u>	<u>563,413</u>	<u>2,749,449</u>	<u>-</u>	<u>-</u>	<u>1,951,442</u>	<u>9,914,389</u>	<u>15,345,328</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	12,540	228,266	1,346,587	-	-	590,242	2,330,781	4,282,351
Add: Amortization taken	3,534	15,996	87,416	-	-	27,888	178,040	295,045
Less: Accumulated amortization on disposals	-	-	-	-	-	(20,202)	-	(20,202)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>16,074</u>	<u>244,262</u>	<u>1,434,003</u>	<u>-</u>	<u>-</u>	<u>597,928</u>	<u>2,508,821</u>	<u>4,801,088</u>
<b>Net book value</b>	<u>\$ 150,561</u>	<u>319,151</u>	<u>1,315,446</u>	<u>-</u>	<u>-</u>	<u>1,353,514</u>	<u>7,405,568</u>	<u>10,544,240</u>
								<u>14,552,989</u>
								<u>614,610</u>
								<u>(93,980)</u>
								<u>14,552,989</u>

See accompanying notes to the financial statements.

**TOWN OF HEPBURN**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
Year ended December 31, 2022

	<u>2021</u>	<u>Changes</u>	<u>2022</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>1,268,953</u>	<u>(556,598)</u>	<u>712,355</u>
<b>APPROPRIATED RESERVES</b>			
Reserve for machinery and equipment	110,000	(90,000)	20,000
Public reserve	600	-	600
Capital trust fund	-	-	-
Utility reserve	1,263,595	206,259	1,469,854
Other reserves	<u>731,500</u>	<u>71,280</u>	<u>802,780</u>
<b>Total Appropriated</b>	<u>2,105,695</u>	<u>187,539</u>	<u>2,293,234</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	10,044,573	499,667	10,544,240
Less: Related debt	<u>(1,310,660)</u>	<u>222,504</u>	<u>(1,088,156)</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>8,733,913</u>	<u>722,171</u>	<u>9,456,084</u>
<b>Total Accumulated Surplus</b>	<u>\$ 12,108,561</u>	<u>353,112</u>	<u>12,461,673</u>

See accompanying notes to the financial statements.

**TOWN OF HEPBURN**

**SCHEDULE OF MILL RATES AND ASSESSMENTS**

Year ended December 31, 2022  
with comparative figures for 2021

	PROPERTY CLASS					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	\$ 21,780	48,950,000	1,269,200	-	1,233,605	51,474,585
Regional Park Assessment						
Total Assessment						51,474,585
Mill Rate Factor(s)	1.3000	1.0100	1.0100	-	1.4000	
Total Base/Minimum Tax (generated for each property class)	600	349,950	-	-	16,700	367,250
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 738	590,226	6,230	-	25,093	622,287

**MILL RATES:**

Average Municipal*	12.089
Average School*	4.594
Potash Mill Rate	-
Uniform Municipal Mill Rate	4.860

\* 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, 2022**  
with comparative figures for 2021

<b>Position</b>	<b>Name</b>	<b><u>Remuneration</u></b>	<b><u>Reimbursed Costs</u></b>	<b><u>Total</u></b>
Mayor	Chris Becker	\$ 5,750	170	5,920
Councillor	Erica Baerwald	3,325	1,242	4,567
Councillor	Andrew Berg	3,075	-	3,075
Councillor	Neil Mihalicz	3,725	-	3,725
Councillor	Deidra Prosofsky	3,350	42	3,392
Total		\$ <u>19,225</u>	<u>1,454</u>	<u>20,679</u>

See accompanying notes to the financial statements.



**TOWN OF HEPBURN**  
**SCHEDULE OF RESTRUCTURING**  
**Year ended December 31, 2022**

**Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date**

Cash and temporary investments	\$ -
Taxes Receivable - Municipal	-
Other accounts receivable	-
Assets held for sale	-
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/>
<b>Total Net Carrying Amount Received (Transferred)</b>	<b>\$ <u>-</u></b>

See accompanying notes to the financial statements.