



VILLAGE OF LIPTON
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

VILLAGE OF LIPTON
TABLE OF CONTENTS
For the year ended December 31, 2020

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated May 5, 2021	4 - 5
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10 - 19
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	20
Schedule 2 - Schedule of Operating and Capital Revenue by Function	21 - 24
Schedule 3 - Schedule of Expenses by Function	25 - 26
Schedule 4 - Schedule of Segment Disclosure by Function - 2020	27
Schedule 5 - Schedule of Segment Disclosure by Function - 2019	28
Schedule 6 - Schedule of Tangible Capital Assets by Object	29
Schedule 7 - Schedule of Tangible Capital Assets by Function	30
Schedule 8 - Schedule of Accumulated Surplus	31
Schedule 9 - Schedule of Mill Rates and Assessments	32
Schedule 10 - Schedule of Council Remuneration	33

STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Village of Lipton

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


In discharging its responsibilities for the integrity and fairness 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 for consolidated financial statements.

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

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



Mayor



Administrator

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:
Village of Lipton
Lipton, Saskatchewan

Opinion

We have audited the consolidated financial statements of the Village of Lipton, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statement of operations, consolidated statement of changes in net financial assets, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Village of Lipton as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Village of Lipton in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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.

Comparative Figures

The financial statements for the year ended December 31, 2019 were audited by another public accounting firm who expressed an unqualified audit opinion dated March 17, 2020.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Village of Lipton's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village of Lipton or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village of Lipton's financial reporting process.
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian auditing standards, we exercise our 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 Village of Lipton'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 Village of Lipton's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village of Lipton to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yorkton, Saskatchewan
 May 5, 2021


 Chartered Professional Accountants Ltd.

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 298,914	\$ 233,801
Taxes receivable - municipal (Note 2)	62,978	63,286
Amounts receivable (Note 3)	5,028	53,810
Land for resale (Note 4)	1	1
Patronage equity	100	100
TOTAL FINANCIAL ASSETS	367,021	350,998
LIABILITIES		
Accounts payable	38,560	27,187
Deposits (Note 1)	15,625	15,230
Deferred revenue (Notes 1 and 5)	4,944	
Long-term debt (Note 6)	133,973	176,511
TOTAL LIABILITIES	193,102	218,928
NET FINANCIAL ASSETS	173,919	132,070
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	2,283,546	2,309,043
Prepaid expenses	6,491	30,126
TOTAL NON-FINANCIAL ASSETS	2,290,037	2,339,169
ACCUMULATED SURPLUS (Schedule 8)	\$ 2,463,956	\$ 2,471,239

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 389,350	\$ 423,194	\$ 373,871
Fees and charges (Schedules 4 and 5)	223,950	229,560	260,401
Conditional grants (Schedules 4 and 5)	46,710	70,926	49,705
Investment income and commissions (Schedules 4 and 5)	4,500	1,716	4,658
Other revenues (Schedules 4 and 5)	1,500	35,825	2,845
	666,010	761,221	691,480
EXPENSES			
General government services (Schedule 3)	198,026	187,968	159,357
Protective services (Schedule 3)	45,143	52,850	55,086
Transportation services (Schedule 3)	164,946	142,839	164,891
Environmental and public health services (Schedule 3)	40,071	29,283	41,504
Planning and development services (Schedule 3)	3,400	4,949	42,908
Recreation and cultural services (Schedule 3)	99,447	139,348	80,471
Utility services (Schedule 3)	213,147	241,800	301,482
	764,180	799,037	845,699
DEFICIT BEFORE OTHER CAPITAL CONTRIBUTIONS	(98,170)	(37,816)	(154,219)
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	22,730	30,533	45,480
ANNUAL DEFICIT	(75,440)	(7,283)	(108,739)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,471,239	2,471,239	2,579,978
ACCUMULATED SURPLUS, END OF YEAR	\$ 2,395,799	\$ 2,463,956	\$ 2,471,239

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ANNUAL DEFICIT	\$ (75,440)\$	(7,283)	\$ (108,739)
Acquisition of tangible capital assets		(54,453)	(36,299)
Amortization of tangible capital assets	79,950	79,950	75,894
Decrease (increase) in prepaid expenses		23,635	(18,633)
	79,950	49,132	20,962
CHANGE IN NET FINANCIAL ASSETS	\$ 4,510	41,849	(87,777)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		132,070	219,847
NET FINANCIAL ASSETS, END OF YEAR		\$ 173,919	\$ 132,070

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual deficit	\$ (7,283)	\$ (108,739)
Changes in non-cash items:		
Taxes receivable - municipal	308	2,713
Amounts receivable	48,782	131,288
Prepays	23,635	(18,633)
Accounts payable and accrued liabilities	11,373	(74,808)
Deferred revenue	4,944	(1,800)
Deposits	395	750
Amortization	79,950	75,894
Cash (used for) provided by operating transactions	<u>162,104</u>	<u>6,665</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(54,453)	(36,299)
Cash applied to capital transactions	<u>(54,453)</u>	<u>(36,299)</u>
FINANCING TRANSACTIONS		
Debt repayment	(42,538)	(41,522)
Cash applied to financing transactions	<u>(42,538)</u>	<u>(41,522)</u>
INCREASE (DECREASE) IN CASH	<u>65,113</u>	<u>(71,156)</u>
CASH, BEGINNING OF YEAR	<u>233,801</u>	<u>304,957</u>
CASH, END OF YEAR	<u>\$ 298,914</u>	<u>\$ 233,801</u>

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognized revenue 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.

Reporting Entity

The financial statements consolidates the assets, liabilities, and flow of resources of the Village. The entity is comprised of all of the organizations that are owned or controlled by the Village and are, therefore, accountable to Council for the administration of their financial affairs and resources. Entities included in these financial statements are as follows:

- Lipton Park and Recreation Board

All inter-organizational transactions and balances have been eliminated.

Collection of Funds for Other Authorities

Collection of funds by the Village for the school board, municipal hail, and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 2.

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

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

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

Deferred Revenue and Deposits

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.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Local Improvement Charges

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

Net-Financial Assets

Net-financial assets at the end of the 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.

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.

Appropriated Reserves

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

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.

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

Inventories

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

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The 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 Village's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure Assets	30 to 75 years
Water & Sewer	40 to 75 years
Road Network Assets	20 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 Village does not capitalize interest incurred while a tangible capital asset is under construction.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

All leases are recorded on the financial statement 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.

Landfill Liability

The Village does not maintain a waste disposal site and utilizes the North Valley Waste Management landfill.

Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the Village.

Employee Benefit Plans

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

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 Village:
 - 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.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

Basis of Segmentation/Segment Report

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

The segments (functions) are as follows:

General government: Provides administration of the Village.

Protective services: Is comprised of expenses for police and fire protection.

Transportation services: 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: Environmental segment provides waste disposal and other environmental services and the public health segment provides for expenses related to public health services in the Village.

Planning and development: Provides for neighbourhood development and sustainability.

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

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

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by council on May 6, 2020.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Standards and Amendments to Standards

Effective for Fiscal Years Beginning 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, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. This standard requires fair value measurement of derivatives and equity instruments 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, 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 a 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.

Effective On or After April 1, 2023:

PS 3400 Revenue, 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 the 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 extent of the impact on adoption of these future standards is not known at this time.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2020

2. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2020	2019
Municipal		
- Current	\$ 34,337	\$ 42,410
- Arrears	84,798	66,876
	<u>119,135</u>	<u>109,286</u>
- Less allowance for uncollectibles	(56,157)	(46,000)
Total municipal taxes receivable	<u>62,978</u>	63,286
School		
- Current	5,414	10,391
- Arrears	13,989	6,630
Total school taxes receivable	<u>19,403</u>	17,021
Total taxes and grants-in-lieu receivable	<u>82,381</u>	80,307
Deduct taxes receivable to be collected on behalf of other organizations	(19,403)	(17,021)
Municipal and grants-in-lieu taxes receivable	<u>\$ 62,978</u>	<u>\$ 63,286</u>

3. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2020	2019
Utility	\$ 4,989	\$ 19,134
Organizations and individuals	414	29,405
Federal government	39	6,271
	<u>5,442</u>	<u>54,810</u>
Less allowance for doubtful amounts	(414)	(1,000)
	<u>\$ 5,028</u>	<u>\$ 53,810</u>

4. LAND FOR RESALE

	2020	2019
Tax Title Property	\$ 6,360	\$ 9,004
Allowance for market value adjustment	(6,359)	(9,003)
Net Tax Title Property	<u>\$ 1</u>	<u>\$ 1</u>

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

5. DEFERRED REVENUE

	2020	2019
Prepaid utilities	\$ 4,854	
Water truck fill FOBs	90	
	<u>\$ 4,944</u>	<u>\$</u>

6. LONG-TERM DEBT

The debt limit of the Village is \$528,467. The debt limit for a Village is the total amount of the Village's own source revenues for the preceding year per section 161(1) of the Municipalities Act.

	2020	2019
Debenture with the Saskatchewan Municipal Board, interest at 2.45%, payable at \$46,863 annually including interest, maturing December 2022. Currently the Village is making their December payment in January or February of the subsequent year.	\$ 133,973	\$ 176,511

Future principal and interest payments are as follows:

	Principal	Interest	Total
2021	\$ 43,581	3,282	\$ 46,863
2022	44,649	2,214	46,863
2023	45,743	1,120	46,863
Balance	<u>\$ 133,973</u>	<u>6,616</u>	<u>\$ 140,589</u>

7. PENSION PLAN

The Village 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 benefits. The Village's pension expense in 2020 was \$14,566 (2019 - \$17,342). The benefits accrued to the Village's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS3250.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

8. COMPARATIVE FIGURES

Prior year comparative figures were audited by another public accounting firm who expressed an unqualified opinion dated March 17, 2020.

9. GOVERNMENT ASSISTANCE

In response to the pandemic, the Provincial and Federal governments have provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Village received funds of \$49,586 and these funds were approved to be spent on repairs for the Lipton Community Hall roof. As of December 31, 2020 \$86,212 was spent on this project. In addition, the Safe Restart Program provided \$20,581 of unconditional funds to the Village.

10. OTHER MATTERS

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a worldwide pandemic. Subsequently, on March 18, 2020, the Province of Saskatchewan declared a province-wide state of emergency to help reduce the spread of COVID-19. The Village has not suffered any significant disruptions throughout the year as a result from the outbreak.

While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of this disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

11. PRIOR PERIOD ADJUSTMENTS

The prior year's figures have been restated due to the Village receiving an Asset Management grant from the Federation of Canadian Municipalities that was not set up as a receivable in the prior year, when all expenses were incurred in the prior year. As well, the prior year's figures have also been restated due to the interest on long-term debt not being recorded due to the timing of when the payment on the long-term debt is made. The effect of these adjustments is an increase to Accumulated Surplus as follows:

	2020	2019
Opening fund balance:		
Accumulated surplus	\$ 2,471,239	\$ 2,579,978
		<hr/>
Annual deficit, previously stated		(135,082)
Adjustments:		
Asset Management grant		27,360
Interest on long-term debt		(1,017)
		<hr/>
Annual deficit, restated	(7,283)	(108,739)
		<hr/>
Accumulated surplus, end of year	\$ 2,463,956	\$ 2,471,239
		<hr/> <hr/>

VILLAGE OF LIPTON
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TAXES			
General municipal tax levy	\$ 285,120	\$ 286,918	\$ 269,146
Discount on current year taxes	(9,300)	(9,643)	(9,222)
Net Municipal Taxes	275,820	277,275	259,924
Penalties on tax arrears	7,000	16,521	12,138
Total Taxes	282,820	293,796	272,062
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	80,130	80,131	72,418
Safe Restart Program		20,581	
Total Unconditional Grants	80,130	100,712	72,418
GRANTS-IN-LIEU OF TAXES			
Provincial			
Sasktel	3,250	3,602	3,160
Local/Other			
Housing Authority	1,150	1,150	1,944
Other Government Transfers			
S.P.C. Surcharge	14,000	15,099	15,734
Sask Energy Surcharge	8,000	8,835	8,553
Total Grants-in-Lieu of Taxes	26,400	28,686	29,391
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 389,350	\$ 423,194	\$ 373,871

VILLAGE OF LIPTON
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Administrative contract	\$ 9,000	\$ 9,000	\$ 12,000
- Sales of supplies		4,403	213
- Tax certificates, pet licences, office services	350	1,230	3,648
Total Fees and Charges	9,350	14,633	15,861
- Investment income and commissions	4,500	1,716	4,658
Total Other Segmented Revenue	13,850	16,349	20,519
Total Operating	13,850	16,349	20,519
Total General Government Services	13,850	16,349	20,519
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	5,000	12,675	9,100
- Policing fines			375
- Bylaw infraction	500		2,700
Total Fees and Charges	5,500	12,675	12,175
- Donations	500	1,448	1,845
Total Other Segmented Revenue	6,000	14,123	14,020
Conditional Grants			
- Local government	15,000	15,000	15,000
Total Conditional Grants	15,000	15,000	15,000
Total Operating	21,000	29,123	29,020
Capital			
Conditional Grants			
- Federal Gas Tax	22,730	30,533	
Total Capital	22,730	30,533	
Total Protective Services	43,730	59,656	29,020

VILLAGE OF LIPTON
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$	\$ 2,160	\$
Total Fees and Charges		2,160	
Total Other Segmented Revenue		2,160	
Conditional Grants			
- Student Employment			2,632
Total Conditional Grants			2,632
Total Operating		2,160	2,632
Total Transportation Services		2,160	2,632
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Cemetery fees	2,000	850	8,778
Total Fees and Charges	2,000	850	8,778
- Donations		1,000	
Total Other Segmented Revenue	2,000	1,850	8,778
Total Operating	2,000	1,850	8,778
Total Environmental and Public Health Services	2,000	1,850	8,778

VILLAGE OF LIPTON
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Building permits and licenses	\$ 100	\$ 5,413	\$ 779
Total Fees and Charges	100	5,413	779
Total Other Segmented Revenue	100	5,413	779
Conditional Grants			
- Federation of Canadian Municipalities	27,000		27,360
Total Conditional Grants	27,000		27,360
Total Operating	27,100	5,413	28,139
Total Planning and Development Services	27,100	5,413	28,139
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Community hall fees		300	9,538
Total Fees and Charges		300	9,538
- Insurance proceeds		33,377	
- Donations	1,000		1,000
Total Other Segmented Revenue	1,000	33,677	10,538
Conditional Grants			
- Sask Lotteries Grant	4,710	4,840	4,713
- Local government		1,500	
- Municipal Economic Enhancement Program		49,586	
Total Conditional Grants	4,710	55,926	4,713
Total Operating	5,710	89,603	15,251
Total Recreation and Cultural Services	5,710	89,603	15,251

VILLAGE OF LIPTON
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 108,000	\$ 102,652	\$ 112,593
- Sewer	54,000	49,630	54,980
- Infrastructure fees	44,000	40,418	44,595
- Connection fees and interest	1,000	829	1,102
Total Fees and Charges	<u>207,000</u>	<u>193,529</u>	213,270
Total Other Segmented Revenue	<u>207,000</u>	<u>193,529</u>	213,270
Total Operating	<u>207,000</u>	<u>193,529</u>	213,270
Capital			
Conditional Grants			
- Federal Gas Tax			45,480
Total Capital			<u>45,480</u>
Total Utility Services	<u>207,000</u>	<u>193,529</u>	258,750
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 299,390</u>	<u>\$ 368,560</u>	\$ 363,089
SUMMARY			
Total Other Segmented Revenue	\$ 229,950	\$ 267,101	\$ 267,904
Total Conditional Grants	46,710	70,926	49,705
Total Capital Grants and Contributions	<u>22,730</u>	<u>30,533</u>	45,480
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 299,390</u>	<u>\$ 368,560</u>	\$ 363,089

VILLAGE OF LIPTON
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 20,960	\$ 26,627	\$ 20,617
Wages and benefits	106,190	82,839	61,582
Professional/Contractual services	36,570	39,328	30,689
Utilities	8,440	9,354	8,382
Maintenance, materials, and supplies	14,610	18,046	26,885
Amortization	1,656	1,656	1,283
Interest and bank charges	1,600	1,700	1,569
Allowance for uncollectibles	8,000	8,418	8,000
Other			350
Total General Government Services	198,026	187,968	159,357
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	16,100	16,617	18,503
Fire protection			
Wages and benefits	8,910	4,360	7,140
Professional/Contractual services	1,650	1,555	3,818
Utilities	4,700	2,255	4,639
Maintenance, materials, and supplies	13,700	25,217	20,882
Amortization	83	83	
Other		2,763	104
Total Protective Services	45,143	52,850	55,086
TRANSPORTATION SERVICES			
Wages and benefits	72,620	69,804	68,160
Professional/Contractual services	4,200	24,371	4,184
Utilities	11,500	10,473	11,382
Maintenance, materials, and supplies	70,530	32,095	76,268
Amortization	6,096	6,096	4,897
Total Transportation Services	164,946	142,839	164,891
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	21,710	21,958	22,606
Maintenance, materials, and supplies	13,760	1,343	14,296
Amortization	4,601	4,601	4,602
Housing nursing home deficit		1,381	
Total Environmental and Public Health Services	40,071	29,283	41,504

VILLAGE OF LIPTON
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

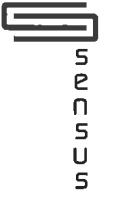
	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 2,000	\$ 3,138	\$ 38,602
Utilities	200		192
Maintenance, materials, and supplies	1,200	1,811	4,114
Total Planning and Development Services	3,400	4,949	42,908
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	6,500	12,005	12,766
Utilities	6,450	5,171	6,037
Maintenance, materials, and supplies	50,850	86,522	22,005
Grants and contributions			
- Operating	9,650	9,653	14,596
Amortization	25,997	25,997	25,067
Total Recreation and Cultural Services	99,447	139,348	80,471
UTILITY SERVICES			
Wages and benefits	76,880	86,368	129,578
Professional/Contractual services	41,600	26,402	37,401
Utilities	13,200	15,645	12,601
Maintenance, materials, and supplies	39,600	67,543	76,515
Amortization	41,517	41,517	40,045
Interest on long-term debt	350	4,325	5,342
Total Utility Services	213,147	241,800	301,482
TOTAL EXPENSES BY FUNCTION	\$ 764,180	\$ 799,037	\$ 845,699

VILLAGE OF LIPTON
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the 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	\$ 14,633	\$ 12,675	\$ 2,160	\$ 850	\$ 5,413	\$ 300	\$ 193,529	\$ 229,560
Tangible Capital Asset Sale - Gain (Loss)								1,716
Land Sales - Gain (Loss)								35,825
Investment Income & Commissions	1,716	1,448		1,000		33,377		70,926
Other Revenues		15,000				55,926		30,533
Grants - Conditional - Capital		30,533						368,560
Total revenues	16,349	59,656	2,160	1,850	5,413	89,603	193,529	368,560
Expenses (Schedule 3)								
Wages & Benefits	109,466	4,360	69,804				86,368	269,998
Professional/Contractual Services	39,328	18,172	24,371	21,958	3,138	12,005	26,402	145,374
Utilities	9,354	2,255	10,473			5,171	15,645	42,898
Maintenance, Materials, Supplies	18,046	25,217	32,095	1,343	1,811	86,522	67,543	232,577
Grants and Contributions						9,653		9,653
Amortization	1,656	83	6,096	4,601		25,997	41,517	79,950
Interest	1,700						4,325	6,025
Allowance for Uncollectibles	8,418							8,418
Other		2,763		1,381				4,144
Total expenses	187,968	52,850	142,839	29,283	4,949	139,348	241,800	799,037
Surplus (Deficit) by Function	(171,619)	6,806	(140,679)	(27,433)	464	(49,745)	(48,271)	(430,477)
Taxation and other unconditional revenue (Schedule 1)								423,194
Net Surplus (Deficit)								\$ (7,283)

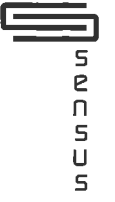
VILLAGE OF LIPTON
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 15,861	\$ 12,175	\$	\$ 8,778	\$ 779	\$ 9,538	\$ 213,270	\$ 260,401
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)	4,658							4,658
Investment Income & Commissions		1,845				1,000		2,845
Other Revenues		15,000	2,632		27,360	4,713		49,705
Grants - Conditional - Capital							45,480	45,480
Total revenues	20,519	29,020	2,632	8,778	28,139	15,251	258,750	363,089
Expenses (Schedule 3)								
Wages & Benefits	82,199	7,140	68,160				129,578	287,077
Professional/Contractual Services	30,689	22,321	4,184	22,606	38,602	12,766	37,401	168,569
Utilities	8,382	4,639	11,382		192	6,037	12,601	43,233
Maintenance, Materials, Supplies	26,885	20,882	76,268	14,296	4,114	22,005	76,515	240,965
Grants and Contributions						14,596		14,596
Amortization	1,283		4,897	4,602		25,067	40,045	75,894
Interest	1,569						5,342	6,911
Allowance for Uncollectibles	8,000							8,000
Other	350	104						454
Total expenses	159,357	55,086	164,891	41,504	42,908	80,471	301,482	845,699
Surplus (Deficit) by Function	(138,838)	(26,066)	(162,259)	(32,726)	(14,769)	(65,220)	(42,732)	(482,610)
Taxation and other unconditional revenue (Schedule 1)								373,871
Net Surplus (Deficit)								\$ (108,739)



VILLAGE OF LIPTON
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2020

Cost	General Assets					Infrastructure Assets		General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction		2020	2019
Opening costs	\$ 43,292		1,339,861	206,552	159,319	2,224,176			\$3,973,200	\$3,936,901
Additions during the year	1,153			5,000	1,146	22,042		25,112	54,453	36,299
Closing costs	44,445		1,339,861	211,552	160,465	2,246,218		25,112	4,027,653	3,973,200
Accumulated Amortization										
Opening accumulated amortization			842,926	192,749	85,786	542,696			1,664,157	1,588,263
Amortization			26,074	4,684	9,889	39,303			79,950	75,894
Closing accumulated amortization			869,000	197,433	95,675	581,999			1,744,107	1,664,157
Net Book Value	\$ 44,445		470,861	14,119	64,790	1,664,219		25,112	\$2,283,546	\$2,309,043



VILLAGE OF LIPTON
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2020

Cost	Environmental & Public Health						Totals		
	General Government	Protective Services	Transportation Services	Recreation & Culture	Water & Sewer	2020	2019		
Opening costs	\$ 8,745	58,301	247,547	46,011	2,262,973	\$3,973,200	\$3,936,901		
Additions during the year	1,153	5,000	6,241		42,059	54,453	36,299		
Closing costs	9,898	63,301	253,788	46,011	2,305,032	4,027,653	3,973,200		
Accumulated Amortization									
Opening accumulated amortization	3,275	58,301	187,863	32,206	561,228	1,664,157	1,588,263		
Amortization	1,656	83	6,096	4,601	41,518	79,950	75,894		
Closing accumulated amortization	4,931	58,384	193,959	36,807	602,746	1,744,107	1,664,157		
Net Book Value	4,967	4,917	59,829	9,204	1,702,286	\$2,283,546	\$2,309,043		



VILLAGE OF LIPTON
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
 For the year ended December 31, 2020

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	\$ 317,726	(78,462)	\$ 239,264
APPROPRIATED RESERVES			
Public Reserve	1,000	52,141	53,141
Fire Department Reserve	7,095	525	7,620
Recreation Board Reserve	9,792	1,472	11,264
Housing Authority	3,094		3,094
Total appropriated	20,981	54,138	75,119
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	2,309,043	(25,497)	2,283,546
Less: Related debt	(176,511)	42,538	(133,973)
Net Investment in Tangible capital assets	2,132,532	17,041	2,149,573
Total Accumulated Surplus	\$ 2,471,239	(7,283)	\$ 2,463,956

VILLAGE OF LIPTON
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2020

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	12,963,200				1,106,400		14,069,600
Regional Park Assessment							
Total Assessment							14,069,600
Mill Rate Factor(s)	1.00				1.00		
Total Base/Minimum Tax	185,900				16,600		202,500
Total Municipal Tax Levy	263,679				23,239		286,918

	MILLS
Average Municipal	20.3927
Average School	4.2891
Potash Mill Rate	
Uniform Municipal Mill Rate	6.0000



VILLAGE OF LIPTON
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2020

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - R. Tomolak	\$ 4,800	\$	4,800
Councilor - M. Horsman	4,324	12	4,336
Councilor - L. Horsman	3,750		3,750
Councilor - J. Schoonbaert	2,950		2,950
Councilor - R. Schoonbaert	2,950		2,950
Councilor - M. Knowles	300		300
Councilor - S. Norrish	300		300
	<hr/>		
	\$ 19,374	\$ 12	\$ 19,386
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