

VILLAGE OF LIPTON
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

VILLAGE OF LIPTON
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Village of Lipton:

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

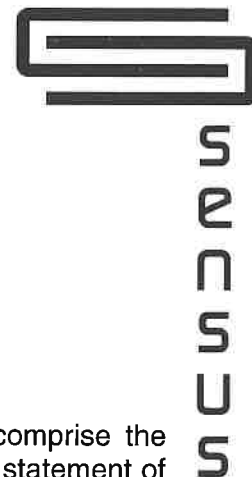
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the 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 by 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, 2021 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, 2021, 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.

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 the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
 June 22, 2022



Chartered Professional Accountants Ltd.

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (Note 2)	\$ 321,657	\$ 299,523
Taxes receivable - municipal (Note 3)	55,718	62,978
Amounts receivable (Note 4)	14,746	5,028
Patronage equity	100	100
TOTAL FINANCIAL ASSETS	392,221	367,629
LIABILITIES		
Accounts payable	22,100	38,560
Deposits (Note 1)	15,762	15,625
Deferred revenue (Notes 1 and 5)	4,489	4,944
Long-term debt (Note 7)	90,392	133,973
TOTAL LIABILITIES	132,743	193,102
NET FINANCIAL ASSETS	259,478	174,527
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	2,225,419	2,283,547
Prepaid expenses	34,937	6,491
Land for resale (Note 5)	23,890	1
TOTAL NON-FINANCIAL ASSETS	2,284,246	2,290,039
ACCUMULATED SURPLUS (Schedule 8)	\$ 2,543,724	\$ 2,464,566
COMMITMENTS (Note 8)		

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 421,580	\$ 406,708	\$ 421,544
Fees and charges (Schedules 4 and 5)	220,210	279,609	226,807
Conditional grants (Schedules 4 and 5)	32,290	40,629	70,926
Investment income and commissions (Schedules 4 and 5)	4,500	970	1,716
Other revenues (Schedules 4 and 5)	27,000	9,833	40,228
	705,580	737,749	761,221
EXPENSES			
General government services (Schedule 3)	213,662	183,238	188,142
Protective services (Schedule 3)	48,750	59,255	52,850
Transportation services (Schedule 3)	264,619	145,440	142,839
Environmental and public health services (Schedule 3)	29,611	30,745	29,283
Planning and development services (Schedule 3)	8,400	8,194	4,949
Recreation and cultural services (Schedule 3)	49,587	69,650	139,348
Utility services (Schedule 3)	133,017	204,107	241,800
	747,646	700,629	799,211
SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS	(42,066)	37,120	(37,990)
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	10,660	42,038	30,533
ANNUAL SURPLUS (DEFICIT)	(31,406)	79,158	(7,457)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,464,566	2,464,566	2,472,023
ACCUMULATED SURPLUS, END OF YEAR	\$ 2,433,160	\$ 2,543,724	\$ 2,464,566

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (31,406)	\$ 79,158	\$ (7,457)
Acquisition of tangible capital assets	(2,000)	(38,767)	(54,453)
Amortization of tangible capital assets	80,306	80,306	79,949
Acquisition of real estate properties		(7,299)	
Decrease (increase) in prepaid expenses		(28,447)	23,638
	78,306	5,793	49,134
CHANGE IN NET FINANCIAL ASSETS	\$ 46,900	84,951	41,677
NET FINANCIAL ASSETS, BEGINNING OF YEAR		174,527	132,850
NET FINANCIAL ASSETS, END OF YEAR		\$ 259,478	\$ 174,527

VILLAGE OF LIPTON
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 79,158	\$ (7,457)
Changes in non-cash items:		
Taxes receivable - municipal	7,259	305
Amounts receivable	(9,718)	48,782
Prepaid expenses	(28,446)	23,638
Accounts payable and accrued liabilities	(16,460)	11,373
Deferred revenue	(455)	4,944
Deposits	137	395
Amortization	80,306	79,949
Cash (used for) provided by operating transactions	<u>111,781</u>	<u>161,929</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(38,767)	(54,453)
Cash applied to capital transactions	<u>(38,767)</u>	<u>(54,453)</u>
INVESTING TRANSACTIONS		
Acquisition of real estate properties	(7,299)	
Cash applied to investing transactions	<u>(7,299)</u>	
FINANCING TRANSACTIONS		
Debt repayment	(43,581)	(42,538)
Cash applied to financing transactions	<u>(43,581)</u>	<u>(42,538)</u>
INCREASE IN CASH	22,134	64,938
CASH, BEGINNING OF YEAR	299,523	234,585
CASH, END OF YEAR	\$ 321,657	\$ 299,523

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

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 recognizes 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 consolidate 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 100% (2020 - 100%)

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, 2021

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 and market value, less any provisions for other than temporary impairment. 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, 2021

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, 2021

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, 2021

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 June 2, 2021.

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

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 for Fiscal Years Beginning 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, 2021

2. CASH

The Village banks with Conexus Credit Union Ltd. where they have an authorized line of credit of \$50,000 (2020 - \$50,000) at an interest rate of 2.45% (2020 - 2.45%).

3. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2021	2020
Municipal		
- Current	\$ 38,139	\$ 34,337
- Arrears	100,202	84,798
	138,341	119,135
- Less allowance for uncollectibles	(82,623)	(56,157)
Total municipal taxes receivable	55,718	62,978
School		
- Current	4,673	5,414
- Arrears	15,552	13,989
Total school taxes receivable	20,225	19,403
Total taxes and grants-in-lieu receivable	75,943	82,381
Deduct taxes receivable to be collected on behalf of other organizations	(20,225)	(19,403)
Municipal and grants-in-lieu taxes receivable	\$ 55,718	\$ 62,978

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2021	2020
Utility	\$ 6,158	\$ 4,989
Federal government	4,688	39
Organizations and individuals	4,314	414
	15,160	5,442
Less allowance for doubtful amounts	(414)	(414)
	\$ 14,746	\$ 5,028

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

5. LAND FOR RESALE

	2021	2020
Tax Title Property	\$ 6,360	\$ 6,360
Allowance for market value adjustment	(6,359)	(6,359)
Net Tax Title Property	1	1
Other Land	23,889	
Net Tax Title Property	\$ 23,890	\$ 1

6. DEFERRED REVENUE

	2021	2020
Prepaid utilities	\$ 3,909	4,854
Water truck fill FOBs	330	90
Lease deposit	250	
	\$ 4,489	\$ 4,944

7. LONG-TERM DEBT

The debt limit of the Village is \$510,999. 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.

	2021	2020
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.	\$ 90,392	\$ 133,973

Future principal and interest payments are as follows:

	Principal	Interest	Total
2022	\$ 44,649	2,214	\$ 46,863
2023	45,743	1,120	46,863
Balance	\$ 90,392	3,334	\$ 93,726

VILLAGE OF LIPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

8. COMMITMENTS

Subsequent to year end, the Village has committed to purchase a 1/2 section of bare land for the sum of \$40,000 for the future lagoon expansion. The purchase is expected to be completed by October 2022.

9. 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 2021 was \$13,560 (2020 - \$14,566). 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 PS 3250.

10. GOVERNMENT ASSISTANCE

In response to the pandemic in the prior year, the Provincial and Federal governments 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 \$Nil (2020 - \$49,586). 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, during 2020 the Safe Restart Program provided \$20,581 of unconditional funds to the Village.

11. OTHER MATTERS

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the organization has not suffered any significant disruptions as they were able to operate within the restrictions. We are therefore unable to estimate the effect of the pandemic on the organization's operations. 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
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
TAXES			
General municipal tax levy	\$ 298,250	\$ 294,353	\$ 286,918
Abatements and adjustments		(1,500)	
Discount on current year taxes	9,500	(10,009)	(9,643)
Net Municipal Taxes	307,750	282,844	277,275
Penalties on tax arrears	7,000	16,965	14,871
Total Taxes	314,750	299,809	292,146
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	80,130	79,426	80,131
Safe Restart Program			20,581
Total Unconditional Grants	80,130	79,426	100,712
GRANTS-IN-LIEU OF TAXES			
Provincial Sasktel	3,550	1,351	3,602
Local/Other Housing Authority	1,150	2,547	1,150
Other Government Transfers			
S.P.C. Surcharge	14,000	15,928	15,099
Sask Energy Surcharge	8,000	7,647	8,835
Total Grants-in-Lieu of Taxes	26,700	27,473	28,686
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 421,580	\$ 406,708	\$ 421,544

VILLAGE OF LIPTON

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Administrative contract	\$	\$	\$ 9,000
- Sale of supplies		24	
- Tax certificates, pet licences, office services, land rent	310	997	1,230
- Tax enforcement		5,641	1,650
Total Fees and Charges	310	6,662	11,880
- Investment income and commissions	4,500	970	1,716
- Miscellaneous	25,000	3,524	4,403
Total Other Segmented Revenue	29,810	11,156	17,999
Total Operating	29,810	11,156	17,999
Total General Government Services	29,810	11,156	17,999
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	5,000	40,331	12,675
- Custom work	500	125	
Total Fees and Charges	5,500	40,456	12,675
- Donations	2,000	2,111	1,448
Total Other Segmented Revenue	7,500	42,567	14,123
Conditional Grants			
- Local government	15,000	15,000	15,000
Total Conditional Grants	15,000	15,000	15,000
Total Operating	22,500	57,567	29,123
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)			30,533
Total Capital			30,533
Total Protective Services	22,500	57,567	59,656

VILLAGE OF LIPTON

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 500	\$ 967	\$ 2,160
- Land rent		250	
Total Fees and Charges	500	1,217	2,160
- SGI rebate		976	
Total Other Segmented Revenue	500	2,193	2,160
Conditional Grants			
- Student Employment		2,363	
- SGI Radar Speed Signs	12,580	8,426	
Total Conditional Grants	12,580	10,789	
Total Operating	13,080	12,982	2,160
Total Transportation Services	13,080	12,982	2,160
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Cemetery fees	2,000	6,311	850
Total Fees and Charges	2,000	6,311	850
- Donations			1,000
Total Other Segmented Revenue	2,000	6,311	1,850
Total Operating	2,000	6,311	1,850
Total Environmental and Public Health Services	2,000	6,311	1,850

VILLAGE OF LIPTON

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Building permits and licenses	\$ 200	\$ 1,020	\$ 5,413
Total Fees and Charges	200	1,020	5,413
Total Other Segmented Revenue	200	1,020	5,413
Total Operating	200	1,020	5,413
Total Planning and Development Services	200	1,020	5,413
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Community hall fees	300	175	300
Total Fees and Charges	300	175	300
- Insurance proceeds		3,222	33,377
Total Other Segmented Revenue	300	3,397	33,677
Conditional Grants			
- Sask Lotteries	4,710	4,840	4,840
- Local government			1,500
- Saskatchewan Parks and Recreation		10,000	
- Municipal Economic Enhancement Program			49,586
Total Conditional Grants	4,710	14,840	55,926
Total Operating	5,010	18,237	89,603
Total Recreation and Cultural Services	5,010	18,237	89,603

VILLAGE OF LIPTON

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 112,000	\$ 122,836	\$ 102,652
- Sewer	54,000	55,043	49,630
- Infrastructure fees	44,000	44,901	40,418
- Connection fees and interest	1,400	988	829
Total Fees and Charges	<u>211,400</u>	<u>223,768</u>	193,529
Total Other Segmented Revenue	<u>211,400</u>	<u>223,768</u>	193,529
Total Operating	<u>211,400</u>	<u>223,768</u>	193,529
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)	10,660	42,038	
Total Capital	<u>10,660</u>	<u>42,038</u>	
Total Utility Services	<u>222,060</u>	<u>265,806</u>	193,529
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 294,660</u>	<u>\$ 373,079</u>	\$ 370,210
SUMMARY			
Total Other Segmented Revenue	\$ 251,710	\$ 290,412	\$ 268,751
Total Conditional Grants	32,290	40,629	70,926
Total Capital Grants and Contributions	10,660	42,038	30,533
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 294,660</u>	<u>\$ 373,079</u>	\$ 370,210

VILLAGE OF LIPTON
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 30,130	\$ 24,144	\$ 26,627
Wages and benefits	95,800	67,428	82,838
Professional/Contractual services	56,600	31,624	39,328
Utilities	11,000	12,164	9,354
Maintenance, materials, and supplies	18,500	18,297	18,221
Amortization	1,132	1,132	1,656
Interest and bank charges		1,983	1,700
Allowance for uncollectibles	500	26,466	8,418
Total General Government Services	213,662	183,238	188,142
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	16,800	17,063	16,617
Fire protection			
Wages and benefits	4,500	11,061	4,360
Professional/Contractual services	1,650	1,789	1,555
Utilities	2,600	2,593	2,255
Maintenance, materials, and supplies	22,200	18,232	27,980
Grants and contributions			
- Lipton Fire Department		7,517	
Amortization	1,000	1,000	83
Total Protective Services	48,750	59,255	52,850
TRANSPORTATION SERVICES			
Wages and benefits	125,700	67,286	69,804
Professional/Contractual services	32,500	28,351	24,371
Utilities	11,400	10,768	10,473
Maintenance, materials, and supplies	89,060	33,076	32,095
Amortization	5,959	5,959	6,096
Total Transportation Services	264,619	145,440	142,839
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	22,110	22,709	21,958
Maintenance, materials, and supplies	1,500	2,941	1,343
Amortization	4,601	4,601	4,601
Housing nursing home deficit	1,400	494	1,381
Total Environmental and Public Health Services	29,611	30,745	29,283

VILLAGE OF LIPTON
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 5,000	\$ 4,978	\$ 3,138
Maintenance, materials, and supplies	3,400	3,216	1,811
Total Planning and Development Services	8,400	8,194	4,949
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	500	12,113	12,005
Utilities	6,300	5,680	5,172
Maintenance, materials, and supplies	2,000	6,005	86,522
Grants and contributions			
- Operating	14,790	19,855	9,653
Amortization	25,997	25,997	25,996
Total Recreation and Cultural Services	49,587	69,650	139,348
UTILITY SERVICES			
Wages and benefits		80,457	86,368
Professional/Contractual services	29,600	33,543	26,402
Utilities	14,300	13,065	15,645
Maintenance, materials, and supplies	47,500	32,143	67,543
Amortization	41,617	41,617	41,517
Interest on long-term debt		3,282	4,325
Total Utility Services	133,017	204,107	241,800
TOTAL EXPENSES BY FUNCTION	\$ 747,646	\$ 700,629	\$ 799,211

VILLAGE OF LIPTON
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 6,662	\$ 40,456	\$ 1,217	\$ 6,311	\$ 1,020	\$ 175	\$ 223,768	\$ 279,609
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income & Commissions	970							970
Other Revenues	3,524	2,111	976			3,222		9,833
Grants - Conditional		15,000	10,789			14,840		40,629
- Capital							42,038	42,038
Total revenues	11,156	57,567	12,982	6,311	1,020	18,237	265,806	373,079
Expenses (Schedule 3)								
Wages & Benefits	91,572	11,061	67,286				80,457	250,376
Professional/Contractual Services	31,624	18,852	28,351	22,709	4,978	12,113	33,543	152,170
Utilities	12,164	2,593	10,768			5,680	13,065	44,270
Maintenance, Materials, Supplies	18,297	18,232	33,076	2,941	3,216	6,005	32,143	113,910
Grants and Contributions		7,517				19,855		27,372
Amortization	1,132	1,000	5,959	4,601		25,997		80,306
Interest	1,983							5,265
Allowance for Uncollectibles	26,466							26,466
Other				494				494
Total expenses	183,238	59,255	145,440	30,745	8,194	69,650	204,107	700,629
Surplus (Deficit) by Function	(172,082)	(1,688)	(132,458)	(24,434)	(7,174)	(51,413)	61,699	(327,550)
Taxation and other unconditional revenue (Schedule 1)								
Net Surplus (Deficit)								406,708
								\$ 79,158

VILLAGE OF LIPTON
SCHEDULE 5 - 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	\$ 11,880	\$ 12,675	\$ 2,160	\$ 850	\$ 5,413	\$ 300	\$ 193,529	\$ 226,807
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)	1,716							1,716
Investment Income & Commissions	4,403	1,448		1,000		33,377		40,228
Other Revenues		15,000				55,926		70,926
Grants - Conditional - Capital		30,533						30,533
Total revenues	17,999	59,656	2,160	1,850	5,413	89,603	193,529	370,210
Expenses (Schedule 3)								
Wages & Benefits	109,465	4,360	69,804				86,368	269,997
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			5,172	15,645	42,899
Maintenance, Materials, Supplies	18,221	27,980	32,095	1,343	1,811	86,522	67,543	235,515
Grants and Contributions						9,653		9,653
Amortization	1,656	83	6,096	4,601		25,996	41,517	79,949
Interest	1,700						4,325	6,025
Allowance for Uncollectibles	8,418							8,418
Other				1,381				1,381
Total expenses	188,142	52,850	142,839	29,283	4,949	139,348	241,800	799,211
Surplus (Deficit) by Function	(170,143)	6,806	(140,679)	(27,433)	464	(49,745)	(48,271)	(429,001)
Taxation and other unconditional revenue (Schedule 1)								421,544
Net Surplus (Deficit)								\$ (7,457)

VILLAGE OF LIPTON
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2021

Cost	General Assets						Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			Assets Under Construction	2021
Opening costs	\$ 44,445		1,339,861	211,552	160,465	2,246,218	25,112	\$4,027,653	\$3,973,200	
Additions during the year					20,372	18,395		38,767	54,453	
Disposals and write downs	(16,589)							(16,589)		
Transfers from assets under construction						1,092	(1,092)			
Closing costs	27,856		1,339,861	211,552	180,837	2,265,705	24,020	4,049,831	4,027,653	
Accumulated Amortization										
Opening accumulated amortization			869,000	197,433	95,675	581,998		1,744,106	1,664,157	
Amortization			26,074	5,601	8,833	39,798		80,306	79,949	
Closing accumulated amortization			895,074	203,034	104,508	621,796		1,824,412	1,744,106	
Net Book Value	\$ 27,856		444,787	8,518	76,329	1,643,909	24,020	\$2,225,419	\$2,283,547	

VILLAGE OF LIPTON
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2021

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2021	2020
Opening costs	\$ 53,190	63,301	247,987	46,009		1,317,435	2,299,731	\$4,027,653	\$3,973,200
Additions during the year			20,372				19,487	39,859	54,453
Disposals and write downs	(16,589)						(1,092)	(17,681)	
Closing costs	36,601	63,301	266,359	46,009		1,317,435	2,318,126	4,049,831	4,027,653
Accumulated Amortization									
Opening accumulated amortization	4,931	58,384	193,959	36,807		847,280	602,745	1,744,106	1,664,157
Amortization	1,132	1,000	5,958	4,601		25,996	41,619	80,306	79,949
Closing accumulated amortization	6,063	59,384	199,917	41,408		873,276	644,364	1,824,412	1,744,106
Net Book Value	\$ 30,538	3,917	66,442	4,601		444,159	1,673,762	\$2,225,419	\$2,283,547

VILLAGE OF LIPTON
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2021

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	\$ 239,873	53,049	\$ 292,922
APPROPRIATED RESERVES			
Public Reserve	53,141	52	53,193
Fire Department Reserve	7,620	(7,620)	
Recreation Board Reserve	11,264	(1,346)	9,918
Housing Authority	3,094		3,094
General Reserve		49,570	49,570
Total appropriated	75,119	40,656	115,775
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	2,283,547	(58,128)	2,225,419
Less: Related debt	(133,973)	43,581	(90,392)
Net investment in tangible capital assets	2,149,574	(14,547)	2,135,027
Total Accumulated Surplus	\$ 2,464,566	79,158	\$ 2,543,724

VILLAGE OF LIPTON
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
 For the year ended December 31, 2021

	PROPERTY CLASS							Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)		
Taxable assessment		12,623,520			518,500			13,142,020
Regional Park Assessment								
Total Assessment								13,142,020
Mill Rate Factor(s)		1.00			2.70			
Total Base/Minimum Tax		186,600			16,600			203,200
Total Municipal Tax Levy		268,653			25,700			294,353

MILL RATES:

	MILLS
Average Municipal	22.3978
Average School	4.5504
Potash Mill Rate	
Uniform Municipal Mill Rate	6.5000

VILLAGE OF LIPTON
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2021

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Ron Tomolak	\$ 4,600	\$	4,600
Councilor - Mark Horsman	4,144	86	4,230
Councilor - Logan Horsman	3,850		3,850
Councilor - Stanley Norrish	3,725		3,725
Councilor - Monika Knowles	3,675		3,675
	<hr/>		
	\$ 19,994	\$ 86	20,080
	<hr/>		<hr/>