

VILLAGE OF PAYNTON

Financial Statements

For The Year Ended December 31, 2018

Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying 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 is required.


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

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

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



Mayor



Administrator

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Paynton

Opinion

We have audited the accompanying financial statements of the Village of Paynton (the Municipality), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2018, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditors' Report to the Mayor and Council of the Village of Paynton (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies 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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Lloydminster, Alberta
June 11, 2019

Village of Paynton
Statement of Financial Position
As at December 31, 2018

Statement 1

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	109,925	76,730
Taxes Receivable - Municipal (Note 3)	48,577	105,095
Other Accounts Receivable (Note 4)	15,395	26,811
Land for Resale (Note 5)	30,067	1,081
Long-Term Investments (Note 6)	5,049	5,053
Other (Specify)		
Total Financial Assets	209,013	214,770
LIABILITIES		
Bank Indebtedness (Note 7)		
Accounts Payable	51,491	51,710
Accrued Liabilities Payable		
Deposits	12,151	12,269
Deferred Revenue (Note 8)	1,428	-
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 11)	21,108	12,067
Lease Obligations		
Total Liabilities	86,178	76,046
NET FINANCIAL ASSETS (DEBT)	122,835	138,724
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	856,870	883,742
Prepayments and Deferred Charges	203	203
Stock and Supplies		
Other		
Total Non-Financial Assets	857,073	883,945
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	979,908	1,022,669

Village of Paynton
Statement of Operations
For the year ended December 31, 2018

Statement 2

	2018 Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue(Schedule 1)	148,880	156,477	156,335
Fees and Charges(Schedule 4, 5)	91,710	96,559	82,961
Conditional Grants(Schedule 4, 5)	2,200	1,316	1,654
Tangible Capital Asset Sales - Gain(Schedule 4, 5)	-	-	-
Land Sales - Gain (Loss)(Schedule 4, 5)	-	-	(6,552)
Investment Income and Commission(Schedule 4, 5)	620	788	624
Other Revenues(Schedule 4, 5)	400	4,168	4,726
Total Revenues	243,810	259,308	239,748
EXPENSES			
General Government Services(Schedule 3)	92,100	155,521	132,904
Protective Services(Schedule 3)	18,450	19,348	13,985
Transportation Services(Schedule 3)	23,230	13,806	19,596
Environmental and Public Health Services(Schedule 3)	29,600	23,415	27,663
Planning and Development Services(Schedule 3)	-	-	5,002
Recreation and Cultural Services(Schedule 3)	16,830	43,559	36,114
Utility Services(Schedule 3)	68,910	55,646	79,709
Total Expenses	249,120	311,295	314,973
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(5,310)	(51,987)	(75,225)
Provincial/Federal Capital Grants and Contributions(Schedule 4, 5)	9,180	9,226	15,670
Surplus (Deficit) of Revenues over Expenses	3,870	(42,761)	(59,555)
Accumulated Surplus (Deficit), Beginning of Year	1,022,669	1,022,669	1,082,224
Accumulated Surplus (Deficit), End of Year	1,026,539	979,908	1,022,669

Village of Paynton
Statement of Change in Net Financial Assets
For the year ended December 31, 2018

Statement 3

	2018 Budget	2018	2017
Surplus (Deficit)	3,870	(42,761)	(59,555)
(Acquisition) of tangible capital assets		-	-
Amortization of tangible capital assets	22,490	26,872	26,872
Proceeds on disposal of tangible capital assets			
Surplus (Deficit) of capital expenses over expenditures	22,490	26,872	26,872
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	-	-
Increase/Decrease in Net Financial Assets	26,360	(15,889)	(32,683)
Net Financial Assets (Debt) - Beginning of Year	138,724	138,724	171,407
Net Financial Assets (Debt) - End of Year	165,084	122,835	138,724

Village of Paynton
Statement of Cash Flows
For the year ended December 31, 2018

Statement 4

	<u>2018</u>	<u>2017</u>
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	(42,761)	(59,555)
Amortization	26,872	26,872
	(15,889)	(32,683)
Change in assets/liabilities		
Taxes Receivable - Municipal	56,518	(10,964)
Other Receivables	11,416	(3,182)
Land for Resale	(28,986)	6,552
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(219)	15,829
Deposits	(118)	(106)
Deferred Revenue	1,428	(3,120)
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	-	-
Other (Specify)	-	-
Cash provided by operating transactions	24,150	(27,674)
Capital:		
Acquisition of capital assets	-	-
Proceeds from the disposal of capital assets	-	-
Other capital	-	-
Cash applied to capital transactions	-	-
Investing:		
Long-term investments	4	(242)
Other investments	-	-
Cash provided by (applied to) investing transactions	4	(242)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	26,384	-
Long-term debt repaid	(17,343)	(11,664)
Other financing	-	-
Cash provided by (applied to) financing transactions	9,041	(11,664)
Change in Cash and Temporary Investments during the year	33,195	(39,580)
Cash and Temporary Investments - Beginning of Year	76,730	116,310
Cash and Temporary Investments - End of Year	109,925	76,730

Village of Paynton
Notes to the Financial Statements
For the year ended December 31, 2018

1. Significant Accounting Policies

The financial statements of the municipality have been 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 adopted by the municipality are as follows:

- a) **Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.
- b) **Reporting Entity:** The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.
- c) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3.
- d) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as 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 will be recorded as deferred revenue.

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

- e) **Land for Resale -** land for resale is recorded at a lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for resale include leveling, grading, and utility service connections. The land is considered available for sale when all the land preparation is completed.
- f) **Deferred Revenue -** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- g) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- h) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- i) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- j) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- k) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

Village of Paynton
Notes to the Financial Statements
For the year ended December 31, 2018

1. Significant Accounting Policies - continued

- l) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.
- m) **Stock and Supplies:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- n) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation 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 cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 to 20 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 25 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	
Water & Sewer	45 to 75 Yrs
Road Network Assets	15 to 40 Yrs

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 municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital assets. 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 of lease term. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- o) **Landfill Liability:**
The municipality does not maintain a waste disposal site.
- p) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under a defined benefit plan, the municipality's obligations are limited to their contributions.

1. Significant Accounting Policies - continued

- q) **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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

- r) **Basis of Segmentation/Segment Report:** The municipality follows the 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 related 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 for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on November 27, 2018.

- t) **New Accounting Standards:** Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

PS 2200 Related Party Disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have a material financial effect on the consolidated financial statements.

The adoption of this standard has not resulted in any disclosure change.

PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed. The adoption of this standard has no impact on the consolidated financial statements.

PS 3320 Contingent Assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely.

The municipality does not have any reportable contingent assets.

PS 3380 Contractual Rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

The municipality does not have any reportable contractual rights.

PS 3420 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

This standard has no impact on the consolidated financial statements.

Village of Paynton
Notes to the Financial Statements
For the year ended December 31, 2018

2. Cash and Temporary Investments

	2018	2017
Cash	109,925	76,730
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	109,925	76,730

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

3. Taxes Receivable - Municipal

	2018	2017
Municipal - Current	41,374	52,541
- Arrears	83,285	98,886
	124,660	151,427
- Less Allowance for Uncollectible	(76,083)	(46,332)
Total municipal taxes receivable	48,577	105,095
School - Current	7,915	9,125
- Arrears	7,535	6,318
Total school taxes receivable	15,450	15,443
Other	-	12
Total taxes and grants in lieu receivable	64,027	120,550
Deduct taxes receivable to be collected on behalf of other organizations	(15,450)	(15,455)
Total Taxes Receivable - Municipal	48,577	105,095

Village of Paynton
Notes to the Financial Statements
For the year ended December 31, 2018

4. Other Accounts Receivable

	2018	2017
Federal Government	4,403	5,722
Provincial Government		
Local Government		
Utility	13,212	8,316
Trade	610	12,773
Other (Specify)		
Total Other Accounts Receivable	18,225	26,811
Less: Allowance for Uncollectible	(2,830)	
Net Other Accounts Receivable	15,395	26,811

5. Land for Resale

	2018	2017
Tax Title Property	30,067	1,081
Allowance for market value adjustment		
Net Tax Title Property	30,067	1,081
Other Land		
Allowance for market value adjustment		
Net Other Land	-	-
Total Land for Resale	30,067	1,081

6. Long-Term Investments

	2018	2017
Synergy Credit Union - common shares	5,049	5,053
Other (Specify)		
Total Long-Term Investments	\$ 5,049	\$ 5,053

7. Credit Facility Agreement

The municipality has a revolving line of credit in the amount of \$10,000 with its financial institution. Interest on the line of credit is 4.95%. Security for the line of credit is the assignment of the Municipality's municipal tax receivable. There is no balance owing at year end under the line of credit as at December 31, 2018 and 2017.

Village of Paynton

Notes to the Financial Statements

For the year ended December 31, 2018

8. Deferred Revenue

Deferred revenue is comprised of the following amounts, which have been received from third parties and are restricted to the eligible operating and capital projects as approved for a specific purpose. These amounts are recognized as revenue in the period in which related expenditures are incurred.

	2018	2017
Saskatchewan Lotteries Trust Fund	<u>1,428</u>	-
Total Deferred Revenue	<u><u>1,428</u></u>	<u>-</u>

9. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2018 was \$3,455 (2017 - \$3,719). The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

10. Budget Figures

On November 27, 2018, the Council approved the operating budget and planned expenses relating to the current year funding and other current year sources of revenue.

11. Long-Term Debt

a) The debt limit of the municipality is \$182,152. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

Promissory note held by Synergy Credit Union Ltd., repayable in semi-annual installments of \$2,686 was retired during the year.

Promissory note held by Synergy Credit Union Ltd., repayable in semi-annual installments of \$3,581 was retired during the year.

Loan held by the R.M. of Paynton No. 470, of \$26,385 was advanced during the year. The loan is repayable in annual installments of \$5,277; is interest free; due October 1, 2022; issued for repairing the roof on the Recreation Centre.

The current portion of the long-term debt amounts to \$5,277.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2019	5,277		5,277	12,448
2020	5,277		5,277	
2021	5,277		5,277	
2022	5,277		5,277	
2023			-	
Thereafter			-	
Balance	21,108	-	21,108	12,448

Village of Paynton
Notes to the Financial Statements
For the year ended December 31, 2018

12. Government Partnership

The R.M. of Paynton No. 470 and the Village of Paynton jointly participate in the Paynton District Fire Board ("Board") to provide fire protection services to the designated fire protection area. The representation held by each member is as follows:

R.M. of Paynton No. 470	1 Board member
Village of Paynton	1 Board member

The parties have agreed to proportionately share costs associated with expenditures arising from the operation of the Board. The cost sharing proportions are based on a requisition basis. Requisition amounts are derived from fixed operations (i.e. each member's population figures and their previous year's taxation assessment). Firefighting supplies and outside services are contracted and approved by the Fire Chief or his designate.

During the year, the Municipality paid \$11,531 (2017 - \$10,370) to the Board for annual fees. The transaction was measured at the exchange amount.

13. Approval of Financial Statements

Council and management have approved these financial statements.

Village of Paynton
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2018

Schedule 1

	2018 Budget	2018	2017
TAXES			
General municipal tax levy	105,460	109,132	105,457
Abatements and adjustments	-	(5,150)	-
Discount on current year taxes	(2,000)	(2,255)	(2,446)
Net Municipal Taxes	103,460	101,727	103,011
Potash tax share			
Trailer license fees			
Penalties on tax arrears	5,000	13,879	11,390
Special tax levy			
Other (Specify)			
Total Taxes	108,460	115,606	114,401
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	33,000	31,367	33,510
Total Unconditional Grants	33,000	31,367	33,510
GRANTS IN LIEU OF TAXES			
Federal	1,920	1,919	1,919
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel			
Other (Specify)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge	5,500	7,118	6,505
Sask Energy Surcharge	-	467	-
Other (Specify)			
Total Grants in Lieu of Taxes	7,420	9,504	8,424
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	148,880	156,477	156,335

Village of Paynton
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	1,500	10,216	5,224
- Sales of supplies	800	1,890	1,507
- Other (Specify)			
Total Fees and Charges	2,300	12,106	6,731
- Tangible capital asset sales - gain (loss)			
- Land sales - gain (loss)			(6,552)
- Investment income and commissions	620	788	624
- Other (WCB refund, etc.)		2,828	4,315
Total Other Segmented Revenue	2,920	15,722	5,118
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	2,920	15,722	5,118
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total General Government Services	2,920	15,722	5,118

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Fire Fees)	-	185	-
Total Fees and Charges	-	185	-
- Tangible capital asset sales - gain (loss)			
- Other (Pet Licenses)	150	685	20
Total Other Segmented Revenue	150	870	20
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	150	870	20
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital	-	-	-
Total Protective Services	150	870	20

Village of Paynton
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 2

	2018 Budget	2018	2017
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total Transportation Services	-	-	-

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	16,770	15,101	6,731
- Other (Specify)			
Total Fees and Charges	16,770	15,101	6,731
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	16,770	15,101	6,731
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	16,770	15,101	6,731
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total Environmental and Public Health Services	16,770	15,101	6,731

Village of Paynton
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 3

	2018 Budget	2018	2017
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	500	180	270
- Other (Specify)			
Total Fees and Charges	500	180	270
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	500	180	270
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	500	180	270
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total Planning and Development Services	500	180	270

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify) Rental	-	150	150
Total Fees and Charges	-	150	150
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	150	150
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	150	150
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	6,500
Total Recreation and Cultural Services	-	150	6,650

Village of Paynton
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 4

	2018 Budget	2018	2017
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	38,820	36,695	38,550
- Sewer	16,320	15,633	14,101
- Other (Infrastructure Fees)	17,000	16,510	16,428
Total Fees and Charges	72,140	68,838	69,079
- Tangible capital asset sales - gain (loss)			
- Other (Interest & Coin Water & Connections)	250	655	391
Total Other Segmented Revenue	72,390	69,493	69,470
Conditional Grants			
- Student Employment	2,200	1,316	1,654
- Other (Specify)			
Total Conditional Grants	2,200	1,316	1,654
Total Operating	74,590	70,809	71,124
Capital			
Conditional Grants			
- Federal Gas Tax	9,180	9,226	9,170
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	9,180	9,226	9,170
Total Utility Services	83,770	80,035	80,294
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	104,110	112,057	99,083
SUMMARY			
Total Other Segmented Revenue	92,730	101,515	81,759
Total Conditional Grants	2,200	1,316	1,654
Total Capital Grants and Contributions	9,180	9,226	15,670
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	104,110	112,057	99,083

Village of Paynton
Total Expenses by Function
For the year ended December 31, 2018

Schedule 3 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	5,890	3,763	5,195
Wages and benefits	52,400	58,022	50,082
Professional/Contractual services	23,470	38,564	33,492
Utilities	810	672	807
Maintenance, materials and supplies	2,130	4,802	2,551
Grants and contributions - operating			
- capital			
Amortization	7,400	10,537	10,537
Interest			
Allowance for uncollectible		39,161	30,240
Other (Specify)			
Total Government Services	92,100	155,521	132,904

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	6,540	6,705	6,545
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	11,530	12,262	7,059
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization	380	381	381
Interest			
Other (Specify)			

Total Protective Services

18,450	19,348	13,985
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TRANSPORTATION SERVICES

Wages and benefits	3,620	466	3,465
Professional/Contractual Services	6,000	5,585	5,007
Utilities	5,000	4,578	4,873
Maintenance, materials, and supplies	3,500	2,233	1,754
Gravel	4,500	335	2,859
Grants and contributions - operating			
- capital			
Amortization	610	609	1,638
Interest			
Other (Specify)			

Total Transportation Services

23,230	13,806	19,596
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Village of Paynton

Total Expenses by Function

For the year ended December 31, 2018

Schedule 3 - 2

	2018 Budget	2018	2017
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	4,710	3,708	5,017
Professional/Contractual services	22,500	17,032	20,269
Utilities			
Maintenance, materials and supplies	2,390	2,675	2,377
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (Specify)			
Total Environmental and Public Health Services	29,600	23,415	27,663
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits			
Professional/Contractual Services	-	-	5,002
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
Total Planning and Development Services	-	-	5,002
RECREATION AND CULTURAL SERVICES			
Wages and benefits			
Professional/Contractual services	4,500	547	20,925
Utilities	7,500	6,196	6,891
Maintenance, materials and supplies	1,710	32,667	4,104
Grants and contributions - operating	2,280	2,239	2,284
- capital			
Amortization	840	1,910	1,910
Interest			
Allowance for uncollectible			
Other (Specify)			
Total Recreation and Cultural Services	16,830	43,559	36,114

Village of Paynton
Total Expenses by Function
For the year ended December 31, 2018

Schedule 3 - 3

	2018 Budget	2018	2017
UTILITY SERVICES			
Wages and benefits	500		
Professional/Contractual services	34,430	28,325	41,401
Utilities	6,700	8,232	6,701
Maintenance, materials and supplies	12,610	5,277	18,333
Grants and contributions - operating			
- capital			
Amortization	13,260	13,435	12,406
Interest	1,410	377	868
Allowance for Uncollectible			
Other (Specify)			
Total Utility Services	68,910	55,646	79,709
 TOTAL EXPENSES BY FUNCTION	 249,120	 311,295	 314,973

Village of Paynton
Schedule of Segment Disclosure by Function
For the year ended December 31, 2018

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	12,106	185	-	15,101	180	150	68,838	96,559
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	788	-	-	-	-	-	-	788
Other Revenues	2,828	685	-	-	-	-	655	4,168
Grants - Conditional	-	-	-	-	-	-	1,316	1,316
- Capital	-	-	-	-	-	-	9,226	9,226
Total Revenues	15,722	870	-	15,101	180	150	80,035	112,057
Expenses (Schedule 3)								
Wages & Benefits	61,785	-	466	3,708	-	-	-	65,959
Professional/ Contractual Services	38,564	18,967	5,585	17,032	-	547	28,325	109,020
Utilities	672	-	4,578	-	-	6,196	8,232	19,678
Maintenance Materials and Supplies	4,802	-	2,568	2,675	-	32,667	5,277	47,989
Grants and Contributions	-	-	-	-	-	2,239	-	2,239
Amortization	10,537	381	609	-	-	1,910	13,435	26,872
Interest	-	-	-	-	-	-	377	377
Allowance for Uncollectible	39,161	-	-	-	-	-	-	39,161
Other	-	-	-	-	-	-	-	-
Total Expenses	155,521	19,348	13,806	23,415	-	43,559	55,646	311,295
Surplus (Deficit) by Function	(139,799)	(18,478)	(13,806)	(8,314)	180	(43,409)	24,389	(199,238)
Taxes and other unconditional revenue (Schedule 1)								156,477
Net Surplus (Deficit)								(42,761)

Village of Paynton
Schedule of Segment Disclosure by Function
For the year ended December 31, 2017

Schedule 5

Revenues (Schedule 2)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Fees and Charges	6,731	-	-	6,731	270	150	69,079	82,961
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain (Loss)	(6,552)	-	-	-	-	-	-	(6,552)
Investment Income and Commissions	624	-	-	-	-	-	391	624
Other Revenues	4,315	20	-	-	-	-	1,654	4,726
Grants - Conditional	-	-	-	-	-	-	9,170	1,654
- Capital	-	-	-	-	-	6,500	-	15,670
Total Revenues	5,118	20	-	6,731	270	6,650	80,294	99,083

Expenses (Schedule 3)

Wages & Benefits	55,277	-	3,465	5,017	-	-	-	63,759
Professional/ Contractual Services	33,492	13,604	5,007	20,269	5,002	20,925	41,401	139,700
Utilities	807	-	4,873	-	-	6,891	6,701	19,272
Maintenance Materials and Supplies	2,551	-	4,613	2,377	-	4,104	18,333	31,978
Grants and Contributions	-	-	-	-	-	2,284	-	2,284
Amortization	10,537	381	1,638	-	-	1,910	12,406	26,872
Interest	-	-	-	-	-	-	868	868
Allowance for Uncollectible	30,240	-	-	-	-	-	-	30,240
Other	-	-	-	-	-	-	-	-
Total Expenses	132,904	13,985	19,596	27,663	5,002	36,114	79,709	314,973
Surplus (Deficit) by Function	(127,786)	(13,965)	(19,596)	(20,932)	(4,732)	(29,464)	585	(215,890)

Taxes and other unconditional revenue (Schedule 1)

156,335

Net Surplus (Deficit)

(59,555)

Village of Paynton
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2018

Schedule 6

	2018							2017	
	General Assets				Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment				
Asset cost									
Opening Asset costs	33,514	-	602,608	-	103,681	736,851	6,711	1,483,365	1,483,365
Additions during the year								-	
Disposals and write-downs during the year								-	
Transfers (from) assets under construction							6,711	-	
Closing Asset Costs	33,514	-	602,608	-	103,681	743,562	-	1,483,365	1,483,365
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			219,404		21,767	358,452		599,623	572,751
Add: Amortization taken			13,415		3,263	10,194		26,872	26,872
Less: Accumulated amortization on disposals								-	
Closing Accumulated	-	-	232,819	-	25,030	368,646	-	626,495	599,623
Net Book Value	33,514	-	369,789	-	78,651	374,916	-	856,870	883,742

Village of Paynton
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2018

Schedule 7

2018

2017

Assets	2018						2017	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset cost								
Opening Asset costs	451,203	24,614	12,241	1		84,898	910,408	1,483,365
Additions during the year								-
Disposals and write-downs during the year								-
Closing Asset Costs	451,203	24,614	12,241	1	-	84,898	910,408	1,483,365
Accumulated								
Opening Accumulated Amortization Costs	103,516	13,723	5,353	-		44,280	432,751	599,623
Add: Amortization taken	10,537	381	609			1,910	13,435	26,872
Less: Accumulated amortization on disposals								-
Closing Accumulated Amortization Costs	114,053	14,104	5,962	-	-	46,190	446,186	626,495
Net Book Value	337,150	10,510	6,279	1	-	38,708	464,222	856,870
								883,742

Amortization

Village of Paynton
 Schedule of Accumulated Surplus
 For the year ended December 31, 2018

Schedule 8

	2017	Changes	2018
UNAPPROPRIATED SURPLUS	120,690	(27,956)	92,734
APPROPRIATED RESERVES			
Machinery and Equipment			-
Public Reserve			-
Capital Trust	29,750		29,750
Utility			-
Other	554		554
Total Appropriated	30,304	-	30,304
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Total Organized Hamlets	-	-	-
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	883,742	(26,872)	856,870
Less: Related debt	(12,067)	12,067	-
Net Investment in Tangible Capital Assets	871,675	(14,805)	856,870
Total Accumulated Surplus	1,022,669	(42,761)	979,908

Village of Paynton
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2018

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	46,530	4,863,760			394,100		5,304,390
Regional Park Assessment							
Total Assessment							5,304,390
Mill Rate Factor(s)	1.0000	1.0000			1.0000		
Total Base/Minimum Tax (generated for each property class)	140	10,365			4,940		15,445
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,756	99,888			7,488		109,132

MILL RATES: MILLS

Average Municipal*	20.57
Average School*	3.94
Potash Mill Rate	
Uniform Municipal Mill Rate	13.00

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

**Village of Paynton
 Schedule of Council Remuneration
 For the year ended December 31, 2018**

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Karolyn Kirby	825	225	1,050
Councillor	Joey Mosher	675	50	725
Councillor	Bryce McDougall	500	50	550
Councillor	Tish Boychuk	600	650	1,250
Total		2,600	975	3,575