

INDEPENDENT AUDITOR'S REPORT

To the Council of the Town of Milestone

We have audited the accompanying financial statements of the Town of Milestone, which comprise the consolidated statement of financial position as at December 31, 2017, and the statements of operations, comprehensive income and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian general accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Milestone as at December 31, 2017, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards..

Weyburn, Saskatchewan
May 8, 2018

CERTIFIED GENERAL ACCOUNTANTS

Town of Milestone
SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Consolidated Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	\$ 100	\$ 50
Taxes Receivable - Municipal (Note 3)	78,281	70,397
Other Accounts Receivable (Note 4)	106,809	131,699
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	33,471	3,332
Total Financial Assets	218,661	205,478
LIABILITIES		
Bank Indebtedness		
Accounts Payable	279,107	170,699
Accrued Liabilities Payable	123,828	124,478
Deposits	22,614	22,070
Deferred Revenue (Note 8)	10,150	6,721
Other Liabilities	2,327	4,219
Long Term Debt (Note 10)	-	-
	1,724,790	1,599,077
Total Liabilities	2,162,816	1,927,534
NET FINANCIAL DEBT	(1,944,155)	(1,722,056)
Non-Financial Assets		
Tangible Capital Assets	3,975,920	3,622,351
Prepayments and Deferred Charges	323	269
Stock and Supplies	-	-
Total Non-Financial Assets	3,976,243	3,622,620
Accumulated Surplus (Deficit) (Schedule 8)	\$ 2,032,088	\$ 1,900,564

Schedule of Council Remuneration (Schedule 10)
Year Ended December 31, 2017

	Remuneration	Reimbursed Costs	Total
Jeff Brown - Mayor	\$ 1200	-	\$ 1200
Rena Ohrt	960	-	960
Beverly Siebert	720	-	720
Judy Moorhead	800	-	800
Ian Wourms	1,120	-	1,120
Mike Sjodin	560	-	560
Greg Treleaven	640	-	640
Mike Gallais	720	-	720
Unspecified reimbursed costs	-	1871	1871
	\$ 6320	\$ 1871	\$ 8191

Consolidated Statement of Operations
Year Ended December 31, 2017

	Budget		
	2017	2017	2016
REVENUES			
Taxes & Other Unconditional Revenue(Sched1)	\$ 594,236	\$ 657,092	\$ 604,646
Fees and Charges (Schedules 4, 5)	237,400	240,981	206,169
Conditional Grants (Schedules 4, 5)	1,450	1,914	1,499
Tangible Capital Asset Sales - Gain (Loss)	-	-	(2,464)
Land Sales - Gain (Loss) (Schedules 4, 5)	-	-	-
Investment Income and Commissions(Sched4 , 5)	110	631	179
Other Revenues (Schedules 4, 5)	-	-	-
Total Revenues	833.196	900.618	812.443
EXPENSES			
General Government Services (Schedule 3)	117,788	98,250	112,897
Protective Services (Schedule 3)	65,620	70,377	67,439
Transportation Services (Schedule 3)	304,559	357,571	365,269
Environmental and Public Health Services	62,050	64,081	72,476
Planning and Development Services (Schedule 3)	2,500	5,739	5,650
Recreation and Cultural Services (Schedule 3)	62,610	63,928	63,575
Utility Services (Schedule 3)	200,940	191,535	149,837
Total Expenses	816.067	851.481	837.143
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	17.129	49.137	(24.700)
Provincial/Federal Capital Grants and Contributions (Schedules 4, 5)	3.380	82.387	188.904
Surplus (Deficit) of Revenues over Expenses	20,509	131,524	164,204
Accumulated Surplus (Deficit), Beginning of Year	1,900.564	1,900.564	1,736.360
Accumulated Surplus (Deficit), End of Year	1,921.073	2,032.088	1,900.564

Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2017

	Budget		
	2017	2017	2016
Net Income (Loss)	\$20,509	\$131,524	\$164,204
Acquisition of tangible capital assets	-	(440,871)	(895,740)
Amortization of tangible capital assets	-	87,302	86,745
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	-
Surplus (Deficit) of capital expenses			
Over expenditures	-	(353,569)	(808,995)

20,509	(222,045)	(644,791)	
Acquisition of prepaid expense	-	(54)	-
Consumption of supplies inventory	-	-	-
Use of prepaid Expenses	-	-	623
Surplus (Deficit) of expenses of other			
Nonfinancial over expenditures	-	(54)	(623)
Increase (Decrease) in Net Financial	20,509	(222,099)	(644,168)
Net Financial Assets (Debt)- Beginning of Year	(1,722,056)	(1,722,056)	(1,077,888)
Net Financial Assets(DEBT) - End of Year	<u>\$ (1,701,547)</u>	<u>\$ (1,944,155)</u>	<u>\$ (1,722,056)</u>

Consolidated Statement of Cash Flow
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Surplus (Deficit)	\$ 131,524	\$ 164,204
Items not affecting cash:		
Amortization of property, plant and equipment	87,302	86,745
Loss (Gain) on disposal of assets	-	-
	<u>218,826</u>	<u>250,949</u>
Changes in non-cash working capital:		
Taxes Receivable - Municipal	(7,884)	(18,565)
Other Accounts Receivable	24,890	9,925
Land for Resale	-	-
Accounts and Accrued Liabilities Payable	(376)	(114,295)
Deferred Revenue	(1,892)	(956)
Deposits	-	-
Prepayments and Deferred Charges	(54)	622
	<u>18,113</u>	<u>105,234</u>
Cash flow from operating activities	<u>236,969</u>	<u>356,273</u>
Capital and Investing		
Acquisition of capital assets	(440,871)	(895,740)
Proceeds on disposal of prop, plant and equip	(440,871)	(895,740)
Long-Term Investments	(30,139)	-
Cash flow used by investing activities	<u>(30,139)</u>	<u>-</u>
FINANCING		
Long Term Debt issued		
Proceeds from long term financing	155,950	565,780
Repayment of long term debt	(30,237)	(52,070)
Net cash from (used for) financing	125,713	513,710
Increase (Decrease) in Cash Resources	(108,358)	(25,757)
Cash and Investments - beginning of year	(170,649)	(144,892)
DEFICIENCY - END OF YEAR (Note 2)	<u>\$ (279,007)</u>	<u>\$ (170,649)</u>