

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, 2018, 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, 2018, 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
April 12, 2019

CERTIFIED GENERAL ACCOUNTANTS

Town of Milestone
SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Consolidated Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	\$ 100	\$ 100
Taxes Receivable - Municipal (Note 3)	82,988	78,281
Other Accounts Receivable (Note 4)	98,022	106,809
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	34,061	33,471
Total Financial Assets	215,171	218,661
LIABILITIES		
Bank Indebtedness		
Accounts Payable	102,664	279,107
Accrued Liabilities Payable	65,135	123,828
Deposits	202,739	22,614
Deferred Revenue (Note 8)	-	10,150
Other Liabilities	2,108	2,327
Long Term Debt (Note 10)	-	-
	1,674,832	1,724,790
Total Liabilities	2,059,200	2,162,816
NET FINANCIAL DEBT	(1,844,029)	(1,944,155)
Non-Financial Assets		
Tangible Capital Assets	3,917,975	3,975,920
Prepayments and Deferred Charges	363	323
Stock and Supplies	-	-
Total Non-Financial Assets	3,918,338	3,976,243
Accumulated Surplus (Deficit) (Schedule 8)	\$ 2,074,309	\$ 2,032,088

Schedule of Council Remuneration (Schedule 10)
Year Ended December 31, 2018

	Remuneration	Reimbursed Costs	Total
Jeff Brown - Mayor	\$ 1100	-	\$ 1100
Rena Ohrt	960	-	960
Mike Gallais	720	-	720
Judy Moorhead	880	-	880
Ian Wourms	800	-	800
Mike Sjodin	960	-	960
Greg Treleaven	800	-	800
Unspecified reimbursed costs	-	1828	1828
	\$ 6220	\$ 1828	\$ 8048

Consolidated Statement of Operations

Year Ended December 31, 2018			
	Budget		
		2018	2017
REVENUES			
Taxes & Other Unconditional Revenue(Sched1)	\$ 669,886	\$ 677,750	\$ 657,092
Fees and Charges (Schedules 4, 5)	287,701	293,377	240,981
Conditional Grants (Schedules 4, 5)	1,910	1,769	1,914
Tangible Capital Asset Sales - Gain (Loss)	-	(1,700)	-
Land Sales - Gain (Loss) (Schedules 4, 5)	-	-	-
Investment Income and Commissions(Sched4 , 5)	310	2,051	631
Other Revenues (Schedules 4, 5)	-	-	-
Total Revenues	959,807	973,247	900,618
EXPENSES			
General Government Services (Schedule 3)	115,455	119,267	98,250
Protective Services (Schedule 3)	66,190	80,118	70,377
Transportation Services (Schedule 3)	332,508	360,375	357,571
Environmental and Public Health Services	61,500	74,351	64,081
Planning and Development Services (Schedule 3)	1,000	8642	5739
Recreation and Cultural Services (Schedule 3)	64,740	65,986	63,928
Utility Services (Schedule 3)	234,600	263,387	191,535
Total Expenses	875,993	972,126	851,481
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	83,814	1,121	49,137
Provincial/Federal Capital Grants and Contributions (Schedules 4, 5)	22,540	41,100	82,387
Surplus (Deficit) of Revenues over Expenses Accumulated Surplus (Deficit), Beginning of Year	106,354	42,221	131,524
	2,032,088	2,032,088	1,900,564
Accumulated Surplus (Deficit), End of Year	2,138,442	2,074,309	2,032,088
Consolidated Statement of Changes in Net Financial Assets			
Year Ended December 31, 2018			
	Budget		
	2019	2018	2017
Net Income (Loss)	\$106,354	\$42,221	\$131,524
Acquisition of tangible capital assets		(68,157)	(440,871)
Amortization of tangible capital assets		121,402	87,302
Proceeds on disposal of tangible capital assets		3,000	-
Loss (gain) on the disposal of tangible capital assets	-	1,700	-
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Surplus (Deficit) of capital expenses			
Over expenditures	-	57,945	(353,569)

Acquisition of prepaid expense	-	(40)	(54)
Consumption of supplies inventory	-	-	-
Use of prepaid Expenses	-	-	-
Surplus (Deficit) of expenses of other Nonfinancial over expenditures	-	-	-
Increase (Decrease) in Net Financial	106,354	100,126	(222,099)
Net Financial Assets (Debt)- Beginning of Year	(1,944,155)	(1,944,155)	(1,722,056)
Net Financial Assets(DEBT) - End of Year	<u>\$ (1,837,801)</u>	<u>\$ (1,844,029)</u>	<u>\$ (1,944,155)</u>

Consolidated Statement of Cash Flow		
Year Ended December 31, 2018		
	2018	2017
OPERATING ACTIVITIES		
Surplus (Deficit)	\$ 42,221	\$ 131,524
Items not affecting cash:		
Amortization of property, plant and equipment	121,402	87,302
Loss (Gain) on disposal of assets	1,700	-
	<u>165,323</u>	<u>218,826</u>
Changes in non-cash working capital:		
Taxes Receivable - Municipal	(4,707)	(7,884)
Other Accounts Receivable	8,787	24,890
Land for Resale	-	-
Accounts and Accrued Liabilities Payable	121,432	(376)
Deferred Revenue	(219)	(1,892)
Deposits	-	-
Prepayments and Deferred Charges	(40)	(54)
	<u>115,102</u>	<u>18,113</u>
Cash flow from operating activities	<u>280,425</u>	<u>236,939</u>
Capital and Investing		
Acquisition of capital assets	(68,156)	(440,871)
Proceeds on disposal of prop, plant and equip	3,000	-
Long-Term Investments	(590)	(30,192)
Cash flow used by investing activities	<u>(590)</u>	<u>(30,139)</u>
FINANCING		
Long Term Debt issued		
Proceeds from long term financing	-	155,950
Repayment of long term debt	(49,958)	(30,237)
Net cash from (used for) financing	(38,236)	125,713
Increase (Decrease) in Cash Resources	176,443	(108,358)
Cash and Investments - beginning of year	(279,007)	(170,649)
DEFICIENCY - END OF YEAR (Note 2)	<u>\$ (102,564)</u>	<u>\$ (279,007)</u>