

INDEPENDENT AUDITOR'S REPORT

To the Council of the Town of Milestone

Qualified Opinion

We have audited the accompanying financial statements of the Town of Milestone, which comprise the consolidated statement of financial position as at December 31, 2019, and the statements of operations, accumulated surplus and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified IOpionion Sectthe financial statements present fairly, in all material respects, the financial position of Town of Milestone as at December 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

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.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

Weyburn, Saskatchewan
June 8, 2020

CERTIFIED GENERAL ACCOUNTANTS

Town of Milestone
SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Consolidated Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	\$ 282872	\$ 100
Taxes Receivable - Municipal (Note 3)	88083	82988
Other Accounts Receivable (Note 4)	100358	98022
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	34596	34061
Total Financial Assets	505909	215,171
LIABILITIES		
Bank Indebtedness		
Accounts Payable	358978	65,135
Accrued Liabilities Payable	32,343	202,739
Deposits	-	-
Deferred Revenue (Note 8)	9,136	2,108
Other Liabilities	-	-
Long Term Debt (Note 10)	2,173,179	1,674,832
Total Liabilities	2,582,579	2,059,200
NET FINANCIAL DEBT	(2,076,670)	(1,844,029)
Non-Financial Assets		
Tangible Capital Assets	4,231,417	3,917,975
Prepayments and Deferred Charges	503	363
Stock and Supplies	-	-
Total Non-Financial Assets	4,231,920	3,918,338
Accumulated Surplus (Deficit) (Schedule 8)	\$ 2,155,252	\$ 2,074,308

Schedule of Council Remuneration (Schedule 10)
Year Ended December 31, 2019

	Remuneration	Reimbursed Costs	Total
Jeff Brown - Mayor	\$ 1200	-	\$ 1200
Rena Ohrt	960	-	960
Mike Gallais	880	-	880
Judy Moorhead	960	-	960
Ian Wourms	800	-	800
Mike Sjodin	960	-	960
Greg Treleaven	720	-	720
Unspecified reimbursed costs	-	6847	6847
	\$ 6480	\$ 6847	\$ 13,327

Consolidated Statement of Operations Year Ended December 31, 2019			
	Budget 2019	2019	2018
REVENUES			
Taxes & Other Unconditional Revenue(Sched1)	\$ 692,268	\$ 678,512	\$ 677,747
Fees and Charges (Schedules 4, 5)	310,306	301,642	293,377
Conditional Grants (Schedules 4, 5)	1,315	-	1,769
Tangible Capital Asset Sales - Gain (Loss)	-	-	(1700)
Land Sales - Gain (Loss) (Schedules 4, 5)	-	-	-
Investment Income and Commissions(Sched4 , 5)	310	2,624	2,051
Other Revenues (Schedules 4, 5)	-	-	-
Total Revenues	1,004,199	982,778	973,244
EXPENSES			
General Government Services (Schedule 3)	118,760	122,312	119,267
Protective Services (Schedule 3)	78,360	86,482	80,118
Transportation Services (Schedule 3)	335,305	295,390	360,375
Environmental and Public Health Services	62,560	69,991	74,351
Planning and Development Services (Schedule 3)	1,000	3,628	8,642
Recreation and Cultural Services (Schedule 3)	68,280	72,461	65,986
Utility Services (Schedule 3)	259,230	337,032	263,387
Total Expenses	923,495	987,296	972,126
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	80,704	(4,518)	1,118
Provincial/Federal Capital Grants and Contributions (Schedules 4, 5)	23,960	85,462	41,100
Surplus (Deficit) of Revenues over Expenses Accumulated Surplus (Deficit), Beginning of Year	104,664 2,074,308	80,944 2,074,308	42,218 2,032,090
Accumulated Surplus (Deficit), End of Year	2,178,972	2,155,252	2,074,308
Consolidated Statement of Changes in Net Financial Assets Year Ended December 31, 2018			
	Budget 2019	2019	2018
Surplus (Deficit)	104,664	\$80,944	\$42,218
Acquisition of tangible capital assets		(438,447)	(68,157)
Amortization of tangible capital assets		125,006	121,402
Proceeds on disposal of tangible capital assets		-	3,000
Loss (gain) on the disposal of tangible capital assets	-	-	1,700

Surplus (Deficit) of capital expenses			
Over expenditures	-	(313,441)	57,945
Acquisition of prepaid expense	-	(144)	(40)
Consumption of supplies inventory	-	-	-
Use of prepaid Expenses	-	-	-
Surplus (Deficit) of expenses of other Nonfinancial over expenditures	-	(144)	(40)
Increase (Decrease) in Net Financial	104,664	(232,641)	100,123
Net Financial Assets (Debt)- Beginning of Year	(1,844,029)	(1,844,029)	(1,944,152)
Net Financial Assets(DEBT) - End of Year	\$ (1,739,365)	\$ (2,076,670)	\$ (1,844,029)

Consolidated Statement of Cash Flow Year Ended December 31, 2019		
	2019	2018
OPERATING ACTIVITIES		
Surplus (Deficit)	\$ 80,944	\$ 42,218
Items not affecting cash:		
Amortization of property, plant and equipment	125,006	121,402
Loss (Gain) on disposal of assets	1,700	
	<u>205,950</u>	<u>165,320</u>
Changes in non-cash working capital:		
Taxes Receivable - Municipal	(5,095)	(4,707)
Other Accounts Receivable	(2,336)	8,787
Accrued Liabilities Payable	(170,396)	113,339
Accounts Payable	293,843	8,903
Deferred Revenue	7,028	(219)
Deposits	-	(10,150)
Prepayments and Deferred Charges	(140)	(40)
	<u>122,904</u>	<u>115,103</u>
Cash flow from operating activities	<u>328,854</u>	<u>280,423</u>
Capital and Investing		
Acquisition of capital assets	(438,477)	(68,157)
Proceeds on disposal of prop, plant and equip		3,000
Long-Term Investments	(535)	(590)
Cash flow used by investing activities	<u>(535)</u>	<u>(590)</u>
FINANCING		
Long Term Debt issued		
Proceeds from long term financing	550,000	116,112
Repayment of long term debt	(51,657)	(49,955)
Net cash from (used for) financing	495,564	(38,233)
Increase (Decrease) in Cash Resources	385,436	176,443
Cash and Investments - beginning of year	(102,564)	(279,007)
DEFICIENCY - END OF YEAR (Note 2)	\$ 282,872	\$ (102,564)