
Annual Financial Statement
And Supporting Schedules

For The

R.M. OF MILTON NO. 292

For the Year Ended December 31, 2015

Close Perkins & Hauta
CHARTERED PROFESSIONAL ACCOUNTANTS

Telephone (306) 463-6591
Fax (306) 463-4292

R.F. Perkins, B.Comm., CPA, FCA.*
R.D. Hauta, B.Comm., CPA, CA.*
M.W. Close, B.Comm., CPA, CA.*
A.R. Bertoia, B.Comm., CPA, CA.*
K.L. Blanchette, B.Comm., CPA, CA.*

117 – 1st Avenue West – PO Box 1507
KINDERSLEY, SASK. S0L 1S0

Associates:
G.A. Close, CPA, CA.*
W.H. Massey, B.Comm., CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of the RM of Milton No. 292

We have audited the accompanying financial statements of the RM of Milton No. 292, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, change in net financial assets (debt) and cash flows 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 generally 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 judgement, 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 the RM of Milton No. 292 as at December 31, 2015, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KINDERSLEY, Saskatchewan

March 16, 2016

Chartered Professional Accountants


Management's Responsibility

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Close Perkins & Hauta, 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 administration to discuss their audit findings.


Reeve
Administrator

Rural Municipality of Milton No. 292
Consolidated Statement of Financial Position
As at December 31, 2015

Statement 1

	2015	2014
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	2,530,734	2,261,808
Taxes Receivable - Municipal (Note 3)	74,895	37,390
Other Accounts Receivable (Note 4)	154,690	74,536
Land for Resale (Note 5)	30,757	28,297
Long-Term Investments (Note 6)	39,870	41,249
Debt Charges Recoverable (Note 7)	-	-
Other (Specify)		
Total Financial Assets	2,830,946	2,443,279
LIABILITIES		
Bank Indebtedness (Note 8)		
Accounts Payable	321,539	12,900
Accrued Liabilities Payable		
Deposits		1,400
Deferred Revenue (Note 9)	1,347	1,550
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)		
Other Liabilities		
Long-Term Debt (Note 12)		
Lease Obligations (Note 13)		
Total Liabilities	322,886	15,850
NET FINANCIAL ASSETS (DEBT)	2,508,060	2,427,430
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	5,619,308	4,708,805
Prepayments and Deferred Charges		
Stock and Supplies	207,838	390,428
Other (Note 14)	-	-
Total Non-Financial Assets	5,827,146	5,099,233
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	8,335,206	7,526,662

Rural Municipality of Milton No. 292
Consolidated Statement of Operations
As at December 31, 2015

Statement 2

	2015 Budget	2015	2014
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	1,919,890	1,927,576	1,822,402
Fees and Charges (Schedule 4, 5)	518,395	720,885	547,398
Conditional Grants (Schedule 4, 5)	6,407	6,407	4,164
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	1,000	(89,229)	(98,050)
Land Sales - Gain (Schedule 4, 5)	1,500	15,673	955
Investment Income and Commissions (Schedule 4, 5)	19,750	19,002	21,263
Other Revenues (Schedule 4, 5)	1,601	2,870	3,930
Total Revenues	2,468,543	2,603,184	2,302,061
EXPENSES			
General Government Services (Schedule 3)	214,816	235,974	203,102
Protective Services (Schedule 3)	13,263	14,483	14,172
Transportation Services (Schedule 3)	1,237,948	1,325,444	1,032,185
Environmental and Public Health Services (Schedule 3)	183,864	93,605	83,161
Planning and Development Services (Schedule 3)	29,832	24,982	22,582
Recreation and Cultural Services (Schedule 3)	21,494	27,306	46,336
Utility Services (Schedule 3)	98,590	95,889	113,496
Total Expenses	1,799,806	1,817,684	1,515,032
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	668,737	785,500	787,029
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	22,990	23,044	48,013
Surplus (Deficit) of Revenues over Expenses	691,727	808,544	835,042
Accumulated Surplus (Deficit), Beginning of Year	7,526,662	7,526,662	6,691,620
Accumulated Surplus (Deficit), End of Year	8,218,389	8,335,206	7,526,662

Rural Municipality of Milton No. 292
Consolidated Statement of Change in Net Financial Assets
As at December 31, 2015

Statement 3

	2015 Budget	2015	2014
Surplus (Deficit)	691,727	808,544	835,042
(Acquisition) of tangible capital assets		(1,527,245)	(1,168,967)
Amortization of tangible capital assets		209,412	195,976
Proceeds on disposal of tangible capital assets		318,101	362,251
Loss (gain) on the disposal of tangible capital assets		89,229	98,050
Surplus (Deficit) of capital expenses over expenditures	-	(910,503)	(512,690)
(Acquisition) of supplies inventories		(333,327)	(209,265)
(Acquisition) of prepaid expense			
Consumption of supplies inventory		515,916	155,900
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	182,589	(53,365)
Increase/Decrease in Net Financial Assets	691,727	80,630	268,987
Net Financial Assets (Debt) - Beginning of Year	2,427,430	2,427,430	2,158,443
Net Financial Assets (Debt) - End of Year	3,119,157	2,508,060	2,427,430

Rural Municipality of Milton No. 292
Consolidated Statement of Cash Flow
As at December 31, 2015

Statement 4

	2015	2014
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	808,544	835,042
Amortization	209,413	195,976
Loss (gain) on disposal of tangible capital assets	89,229	98,050
	1,107,186	1,129,068
Change in assets/liabilities		
Taxes Receivable - Municipal	(37,505)	10,641
Other Receivables	(80,154)	(42,936)
Land for Resale	(2,460)	4,966
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	308,639	3,975
Deposits	(1,400)	400
Deferred Revenue	(204)	(34)
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	182,589	(53,366)
Prepayments and Deferred Charges	-	-
Other (Specify)	-	-
Cash provided by operating transactions	1,476,691	1,052,714
Capital:		
Acquisition of capital assets	(1,527,245)	(1,168,967)
Proceeds from the disposal of capital assets	318,101	362,251
Other capital	-	-
Cash applied to capital transactions	(1,209,144)	(806,716)
Investing:		
Long-term investments	1,379	(2,654)
Other investments	-	-
Cash provided by (applied to) investing transactions	1,379	(2,654)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
Cash provided by (applied to) financing transactions	-	-
Change in Cash and Temporary Investments during the year	268,926	243,344
Cash and Temporary Investments - Beginning of Year	2,261,808	2,018,464
Cash and Temporary Investments - End of Year	2,530,734	2,261,808

1. Significant accounting policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

Basis of accounting: The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

- a) **Reporting Entity:** The financial statements consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of 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. Entities included in these financial statements are as follows:

Entity
[Local arena board]
[Local swimming pool]

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **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 occurred, as long as:
- 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.

- d) **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.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **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.
- g) **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.
- h) **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.
- i) **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.
- j) **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. The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis.

1. Significant accounting policies - continued

- k) **Inventories:** 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.
- l) **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 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 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. The 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>
General Assets	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Infrastructure Assets	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	(Insert)
Road Network Assets	(Insert)

[If method other than straight line used the method must be separately disclosed]

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: 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 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 [amortization method] basis, over their estimated useful lives (lease term). Any other lease not meeting the before mentioned criteria is classified as a operating lease and rental payments are expensed as incurred.

- m) **Landfill liability:** The municipality does not maintain a waste disposal site.
- n) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note [18].
- o) **Employee benefit plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- p) **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:
- an environmental standard exists;
 - contamination exceeds the environmental standard;
 - The municipality:
 - is directly responsible; or
 - accepts responsibility;
 - it is expected that future economic benefits will be given up; and
 - a reasonable estimate of the amount can be made.

- q) **Measurement Uncertainty:** The preparation of financial statements in conformity with generally accepted accounting principles 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.

2. Cash and Temporary Investments

	2015	2014
Cash	2,530,734	2,261,808
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	2,530,734	2,261,808

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

	2015	2014
Municipal - Current	69,416	33,774
- Arrears	15,690	9,713
	85,106	43,487
- Less Allowance for Uncollectibles	(10,210)	(6,097)
Total municipal taxes receivable	74,895	37,390
School - Current	22,232	9,385
- Arrears	1,195	956
Total school taxes receivable	23,427	10,341
Other	16,485	12,579
Total taxes and grants in lieu receivable	114,808	60,310
Deduct taxes receivable to be collected on behalf of other organizations	(39,913)	(22,920)
Total Taxes Receivable - Municipal	74,895	37,390

Rural Municipality of Milton No. 292
Notes to the Consolidated Financial Statements
As at December 31, 2015

4. Other Accounts Receivable

	2015	2014
Federal Government	20,225	10,648
Provincial Government	8,060	17,066
Local Government	7,879	9,329
Utility	8,225	10,127
Trade	1,011	27,366
SMHI	109,290	
Total Other Accounts Receivable	154,690	74,536

Less: Allowance for Uncollectibles

Net Other Accounts Receivable	154,690	74,536
--------------------------------------	----------------	---------------

5. Land for Resale

	2015	2014
Tax Title Property	28,460	28,688
Allowance for market value adjustment	(5,444)	(5,444)
Net Tax Title Property	23,016	23,244
Other Land	16,485	13,797
Allowance for market value adjustment	(8,744)	(8,744)
Net Other Land	7,741	5,053
Total Land for Resale	30,757	28,297

6. Long-Term Investments

	2015	2014
Sask Assoc. of Rural Municipalities - Self Insurance Fund	39,870	41,249
Other (Specify)		
Total Long-Term Investments	39,870	41,249

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

7. Debt Charges Recoverable

	2015	2014
Current debt charges recoverable		
Non-current debt charges recoverable		
Total Debt Charges Recoverable	-	-

The municipality has undertaken a project with [describe nature of project and identify partners]. The municipality assumed the long-term financing of [\$ - amount]; however [\$ - amount] plus interest at [#]% is recoverable from [name of municipality] with respect to this financing. Amounts are recoverable in annual principal instalments of [\$] plus interest, and mature [date].

Future debt charges recoverable are as follows:

Year	Principal	Interest	Total
2016			-
2017			-
2018			-
2019			-
2020			-
Thereafter			-
Balance	-	-	-

8. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to [\$] ([prior year] - [\$]) and bearing interest at prime plus [#]%. Assets pledged as collateral are [describe assets].

9. Deferred Revenue

	2015	2014
Prepaid property taxes	1,347	1,550
Total Deferred Revenue	1,347	1,550

10. Accrued Landfill Costs

	2015	2014
Environmental Liabilities		-

[In [year] the municipality has accrued an overall liability for environmental matters in the amount of [\$] (prior year - \$) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.]

[Included in environmental liabilities is [\$] (prior year - \$) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of [%] (prior year - %).]

[Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 100-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.]

11. Liability for Contaminated Sites

The municipality recognizes and estimates a liability of [\$] ([prior year] - [\$]) for remediation of [name of the contaminated sites] using [name of the valuation method]. The nature of the liability is [description of the nature of the liability including the event of transaction creating the liability]. The assumptions used in estimating the liability include [descriptions of assumptions and measurement basis used]. The amount of estimated recoveries is [\$] ([prior year] - [\$]).

[Note: additional disclosure is required of the estimated total undiscounted expenditures and discount rate (when a net present value technique is used), as well as the reason for not recognizing a liability, if appropriate.]

12. Long-Term Debt

a) The debt limit of the municipality is **\$1,955,468**. 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)).

Debenture debt is repayable at *[describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand]*.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2016			-	
2017			-	
2018			-	
2019			-	
2020			-	
Thereafter			-	
Balance	-	-	-	-

Bank loans are repayable *[describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand]*.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2016			-	
2017			-	
2018			-	
2019			-	
2020			-	
Thereafter			-	
Balance	-	-	-	-

13. Lease Obligations

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

Year	Payment Amount
2016	-
2017	-
2018	-
2019	-
2020	-
Thereafter	-
Total future minimum lease payments	-
Amounts representing interest at a weighted average rate of _____ %	-
Capital Lease Liability	-

Rural Municipality of Milton No. 292
Notes to the Consolidated Financial Statements
As at December 31, 2015

14. Other Non-financial Assets

2015

2014

(List if any)

15. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

The municipality is also contingently liable for the following:

In a prior year, the municipality had passed a resolution to sell a parcel of land to two Council members. However, this resolution was later rescinded as Council realized that this land needed to be tendered before a sale could be finalized. Council later decided not to tender the land. The two Councillors have instituted proceedings against the municipality as a result. The municipality has contested this claim. As at the date of the financial statements, no resolution has been determined for this matter. Neither the possible outcome, nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

16. 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 pension expense in 2015 was \$18,309. 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.

17. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

18. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

[Description of Trust i.e. Cemetery]

	Current Year Total	Prior Year Total
Balance - Beginning of Year		
Revenue (Specify)		
Interest revenue		
Expenditure (Specify)		
Balance - End of Year	-	-

Rural Municipality of Milton No. 292
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2015

Schedule 1

	2015 Budget	2015	2014
TAXES			
General municipal tax levy	1,906,841	1,909,159	1,809,761
Abatements and adjustments	(2,000)	(4,463)	(2,016)
Discount on current year taxes	(84,800)	(87,439)	(84,937)
Net Municipal Taxes	1,820,041	1,817,258	1,722,808
Potash tax share			
Trailer license fees			
Penalties on tax arrears	4,000	2,729	3,688
Special tax levy			
Other (Specify)			
Total Taxes	1,824,041	1,819,987	1,726,497

UNCONDITIONAL GRANTS

Equalization (Revenue Sharing)	68,790	80,434	68,790
Organized Hamlet	21,559	21,559	21,559
Total Unconditional Grants	90,349	101,993	90,349

GRANTS IN LIEU OF TAXES

Federal

--	--	--

Provincial

S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
SPMC - Municipal Share			
SaskTel	2,125	2,497	2,413
Other (Specify)	75	77	72

Local/Other

Housing Authority	3,300	3,022	3,072
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			

Other Government Transfers

S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			

Total Grants in Lieu of Taxes	5,500	5,595	5,556
--------------------------------------	--------------	--------------	--------------

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,919,890	1,927,576	1,822,402
--	------------------	------------------	------------------

Rural Municipality of Milton No. 292
Schedule of Operating and Capital Revenue by Function
As at December 31, 2015

Schedule 2 - 1

	2015 Budget	2015	2014
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,150	1,939	4,459
- Sales of supplies	1,510	1,560	589
- Other (Specify)	74,000	79,028	64,946
Total Fees and Charges	77,660	82,527	69,994
- Tangible capital asset sales - gain (loss)	1,000		
- Land sales - gain	1,500	15,673	955
- Investment income and commissions	19,750	19,002	21,263
- Other (Specify)			
Total Other Segmented Revenue	99,910	117,202	92,211
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	99,910	117,202	92,211
Capital			
Conditional Grants			
- Federal Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total General Government Services	99,910	117,202	92,211

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	250	490	290
Total Fees and Charges	250	490	290
- Tangible capital asset sales - gain (loss)			
- Other (Specify)	1		1
Total Other Segmented Revenue	251	490	291
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	251	490	291
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital	-	-	-
Total Protective Services	251	490	291

Rural Municipality of Milton No. 292
Schedule of Operating and Capital Revenue by Function
As at December 31, 2015

Schedule 2 - 2

	2015 Budget	2015	2014
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	305,000	518,473	373,130
- Sales of supplies	3,000	2,480	2,580
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)	6,375	6,375	6,375
Total Fees and Charges	314,375	527,328	382,085
- Tangible capital asset sales - gain (loss)		(89,229)	(98,050)
- Other (Specify)			2,200
Total Other Segmented Revenue	314,375	438,099	286,235
Conditional Grants			
- Primary Weight Corridor			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	314,375	438,099	286,235
Capital			
Conditional Grants			
- Federal Gas Tax	17,690	17,722	17,690
- Canada/Sask Municipal Rural Infrastructure Fund			
- Heavy Haul			
- Designated Municipal Roads and Bridges			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	17,690	17,722	17,690
Total Transportation Services	332,065	455,820	303,925

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	23,660	22,124	14,428
- Other (Specify)	50		150
Total Fees and Charges	23,710	22,124	14,578
- Tangible capital asset sales - gain (loss)			
- Other (Specify)	1,600	2,870	1,729
Total Other Segmented Revenue	25,310	24,994	16,307
Conditional Grants			
- Student Employment			
- Local government	6,407	6,407	2,164
- Other (Specify)			
Total Conditional Grants	6,407	6,407	2,164
Total Operating	31,717	31,401	18,471
Capital			
Conditional Grants			
- Federal Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Transit for Disabled			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total Environmental and Public Health Services	31,717	31,401	18,471

Rural Municipality of Milton No. 292
Schedule of Operating and Capital Revenue by Function
As at December 31, 2015

Schedule 2 - 3

PLANNING AND DEVELOPMENT SERVICES

Operating

	2015 Budget	2015	2014
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	9,000	4,050	13,525
- Other (Specify)			191
Total Fees and Charges	9,000	4,050	13,716
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	9,000	4,050	13,716
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	9,000	4,050	13,716

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total Planning and Development Services	9,000	4,050	13,716

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Local government			
- Donations			2,000
- Other (Specify)			
Total Conditional Grants	-	-	2,000
Total Operating	-	-	2,000

Capital

Conditional Grants			
- Federal Gas Tax			
- Local government	5,300	5,323	5,323
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	5,300	5,323	5,323
Total Recreation and Cultural Services	5,300	5,323	7,323

Rural Municipality of Milton No. 292
Schedule of Operating and Capital Revenue by Function
As at December 31, 2015

Schedule 2 - 4

	2015 Budget	2015	2014
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	72,400	64,304	46,348
- Sewer	21,000	20,063	20,388
- Other (Specify)			
Total Fees and Charges	93,400	84,367	66,736
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	93,400	84,367	66,736
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	93,400	84,367	66,736
Capital			
Conditional Grants			
- Federal Gas Tax			
- Sask Water Corp.			
- Provincial Disaster Assistance			
- Other (Specify)			25,000
Total Capital	-	-	25,000
Total Utility Services	93,400	84,367	91,736
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	571,643	698,652	527,672

SUMMARY

Total Other Segmented Revenue	542,246	669,201	475,496
Total Conditional Grants	6,407	6,407	4,164
Total Capital Grants and Contributions	22,990	23,044	48,013
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	571,643	698,652	527,672

Total Expenses by Function

As at December 31, 2015

Schedule 3 - 1

	2015 Budget	2015	2014
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	35,350	36,086	34,089
Wages and benefits	105,300	113,482	96,506
Professional/Contractual services	48,326	58,023	49,725
Utilities	3,973	4,147	3,644
Maintenance, materials and supplies	13,184	12,564	10,555
Grants and contributions - operating	100		100
- capital			
Amortization	2,483	2,483	2,483
Interest	1,000	733	623
Allowance for uncollectibles		4,114	
Other (Specify)	5,100	4,342	5,377
Total Government Services	214,816	235,974	203,102

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	12,500	13,232	12,299
Utilities			
Maintenance, material and supplies	73	181	60
Grants and contributions - operating	100		
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	390	390	390
Utilities		380	
Maintenance, material and supplies			
Grants and contributions - operating		100	1,222
- capital	200	200	200
Amortization			
Interest			
Other (Specify)			

Total Protective Services	13,263	14,483	14,172
----------------------------------	---------------	---------------	---------------

TRANSPORTATION SERVICES

Wages and benefits	359,000	367,845	321,917
Professional/Contractual Services	51,500	37,688	37,836
Utilities	16,448	17,141	15,388
Maintenance, materials, and supplies	261,000	200,274	160,460
Gravel	365,000	495,031	159,792
Grants and contributions - operating			
- capital			
Amortization	185,000	198,398	184,470
Interest			
Other (Specify)		9,068	152,321

Total Transportation Services	1,237,948	1,325,444	1,032,185
--------------------------------------	------------------	------------------	------------------

Total Expenses by Function

As at December 31, 2015

Schedule 3 - 2

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

	2015 Budget	2015	2014
Wages and benefits	6,000	2,634	5,289
Professional/Contractual services	37,864	45,419	32,228
Utilities			
Maintenance, materials and supplies	9,000	11,738	9,790
Grants and contributions - operating	6,000		10,773
○ Waste disposal			
○ Public Health	25,000	33,814	25,000
- capital			
○ Waste disposal	100,000		
○ Public Health			
Amortization			
Interest			
Other (Specify)			82
Total Environmental and Public Health Services	183,864	93,605	83,161

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	14,832	9,982	7,582
Grants and contributions - operating	12,000	12,000	12,000
- capital	3,000	3,000	3,000
Amortization			
Interest			
Other (Specify)			
Total Planning and Development Services	29,832	24,982	22,582

RECREATION AND CULTURAL SERVICES

Wages and benefits		761	
Professional/Contractual services	4,866	8,954	2,373
Utilities			
Maintenance, materials and supplies	2,000	6	4,244
Grants and contributions - operating	14,000	17,323	39,091
- capital			
Amortization	543	176	543
Interest			
Allowance for uncollectibles			
Other (Specify)	85	85	85
Total Recreation and Cultural Services	21,494	27,306	46,336

Total Expenses by Function

As at December 31, 2015

Schedule 3 - 3

	2015 Budget	2015	2014
UTILITY SERVICES			
Wages and benefits	26,000	6,791	21,353
Professional/Contractual services	27,200	40,991	41,062
Utilities	15,900	17,232	15,696
Maintenance, materials and supplies	20,000	21,530	25,751
Grants and contributions - operating			
- capital			
Amortization	8,500	8,355	8,480
Interest			
Allowance for uncollectibles			
Other (<i>Specify</i>)	990	990	1,153
Total Utility Services	98,590	95,889	113,496
TOTAL EXPENSES BY FUNCTION	1,799,806	1,817,684	1,515,032

Rural Municipality of Milton No. 292
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2015

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	82,527	490	527,328	22,124	4,050	-	84,367	720,885
Tangible Capital Asset Sales - Gain	-	-	(89,229)	-	-	-	-	(89,229)
Land Sales - Gain	15,673							15,673
Investment Income and Commissions	19,002							19,002
Other Revenues	-	-	-	2,870	-	-	-	2,870
Grants - Conditional	-	-	-	6,407	-	-	-	6,407
- Capital	-	-	17,722	-	-	5,323	-	23,044
Total revenues	117,202	490	455,820	31,401	4,050	5,323	84,367	698,652
Expenses (Schedule 3)								
Wages & Benefits	149,568	-	367,845	2,634	-	761	6,791	527,599
Professional/ Contractual Services	58,023	13,622	37,688	45,419	9,982	8,954	40,991	214,679
Utilities	4,147	380	17,141	-	-	-	17,232	38,901
Maintenance Materials and Supplies	12,564	181	695,305	11,738	-	6	21,530	741,324
Grants and Contributions	-	300	-	33,814	15,000	17,323	-	66,437
Amortization	2,483	-	198,398	-	-	176	8,355	209,413
Interest	733	-	-	-	-	-	-	733
Allowance for Uncollectibles	4,114							4,114
Other	4,342	-	9,068	-	-	85	990	14,485
Total expenses	235,974	14,483	1,325,444	93,605	24,982	27,306	95,889	1,817,684
Surplus (Deficit) by Function	(118,772)	(13,993)	(869,624)	(62,204)	(20,932)	(21,983)	(11,522)	(1,119,032)

Rural Municipality of Milton No. 292
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2014

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		69,994	290	382,085	14,578	13,716	-	66,736	547,398
Tangible Capital Asset Sales - Gain		-	-	(98,050)	-	-	-	-	(98,050)
Land Sales - Gain		955							955
Investment Income and Commissions		21,263							21,263
Other Revenues		-	1	2,200	1,729	-	-	-	3,930
Grants - Conditional		-	-	-	2,164	-	2,000	-	4,164
- Capital		-	-	17,690	-	-	5,323	25,000	48,013
Total revenues		92,211	291	303,925	18,471	13,716	7,323	91,736	527,672
Expenses (Schedule 3)									
Wages & Benefits		130,595	-	321,917	5,289	-	-	21,353	479,154
Professional/ Contractual Services		49,725	12,689	37,836	32,228	7,582	2,373	41,062	183,495
Utilities		3,644	-	15,388	-	-	-	15,696	34,728
Maintenance Materials and Supplies		10,555	60	320,252	9,790	-	4,244	25,751	370,652
Grants and Contributions		100	1,422	-	35,773	15,000	39,091	-	91,386
Amortization		2,483	-	184,470	-	-	543	8,480	195,976
Interest		623	-	-	-	-	-	-	623
Allowance for Uncollectibles		-	-	-	-	-	-	-	-
Other		5,377	-	152,321	82	-	85	1,153	159,018
Total expenses		203,102	14,172	1,032,185	83,161	22,582	46,336	113,496	1,515,032
Surplus (Deficit) by Function		(110,891)	(13,881)	(728,259)	(64,690)	(8,866)	(39,013)	(21,760)	(987,360)

Taxes and other unconditional revenue (Schedule 1)

1,822,402

Net Surplus (Deficit)

835,042

Rural Municipality of Milton No. 292
Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2015

Schedule 5

2014

2015

Assets	General Assets						Infrastructure Assets	General/ Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Infrastructure Assets			
						Linear assets			
Asset cost									
Opening Asset costs	14,828		49,190	53,945	1,783,928	4,724,554	4,500	6,630,945	6,027,278
Additions during the year					663,109	641,792	222,344	1,527,245	1,168,967
Disposals and write-downs during the year					(571,200)			(571,200)	(565,300)
Transfers (from) assets under construction								-	
Closing Asset Costs	14,828	-	49,190	53,945	1,875,837	5,366,346	226,844	7,586,990	6,630,945
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			36,357	26,638	274,896	1,584,249		1,922,140	1,831,164
Add: Amortization taken			1,169	4,745	86,079	117,419		209,412	195,976
Less: Accumulated amortization on disposals					(163,870)			(163,870)	(105,000)
Closing Accumulated Amortization Costs	-	-	37,526	31,383	197,105	1,701,668	-	1,967,682	1,922,140
Net Book Value	14,828	-	11,664	22,562	1,678,732	3,664,678	226,844	5,619,308	4,708,805

1. Total contributed/donated assets received in 2015: \$ -

2. List of assets recognized at nominal value in 2015 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in 2015 \$ -

Rural Municipality of Milton No. 292
Consolidated Schedule of Tangible Capital Assets by Function
As at December 31, 2015

Schedule 7

	2015						2014	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets								
Asset cost								
Opening Asset costs	53,209		6,370,804	525		3,602	202,805	6,027,278
Additions during the year			1,527,245					1,168,967
Disposals and write-downs during the year			(571,200)					(565,300)
Closing Asset Costs	53,209	-	7,326,849	525	-	3,602	202,805	6,630,945
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	31,208		1,859,134			2,715	29,083	1,831,164
Add: Amortization taken	2,483		198,398			176	8,355	195,976
Less: Accumulated amortization on disposals			(163,870)					(105,000)
Closing Accumulated Amortization Costs	33,691	-	1,893,662	-	-	2,891	37,438	1,922,140
Net Book Value	19,518	-	5,433,187	525	-	711	165,367	4,708,805

Rurai Municipality of Milton No. 292
Consolidated Schedule of Accumulated Surplus
As at December 31, 2015

Schedule 8

	2014	Changes	2015
UNAPPROPRIATED SURPLUS	1,933,406	(128,259)	1,805,147

APPROPRIATED RESERVES

Machinery and Equipment	751,622		751,622
Public Reserve	32,829	1,300	34,129
Capital Trust			-
Utility	100,000	25,000	125,000
Other (Specify)			-
Total Appropriated	884,451	26,300	910,751

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)	4,708,805	910,503	5,619,308
Less: Related debt			-
Net Investment in Tangible Capital Assets	4,708,805	910,503	5,619,308

Total Accumulated Surplus	7,526,662	808,544	8,335,206
----------------------------------	------------------	----------------	------------------

Rural Municipality of Milton No. 292
Schedule of Mill Rates and Assessments
As at December 31, 2015

Schedule 9

	PROPERTY CLASS					
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	35,692,370	3,544,780			49,977,100	
Regional Park Assessment						
Total Assessment						89,214,250
Mill Rate Factor(s)	1.0000	0.6000			4.0000	
Total Base/Minimum Tax (generated for each property class)	520	43,030			7,150	50,700
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	277,418	80,509			1,551,232	1,909,159

MILL RATES:

MILLS

Average Municipal*	21.40
Average School*	7.43
Potash Mill Rate	
Uniform Municipal Mill Rate	Alsask - 15.0 Remainder - 7.75

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

Rural Municipality of Milton No. 292
Schedule of Council Remuneration
As at December 31, 2015

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve/Mayor	David Bond	5,025	1,226	6,251
Councillor/Alderman	Trevor Martin	2,300	628	2,928
Councillor/Alderman	James Loken	4,000	534	4,534
Councillor/Alderman	Garry Warrington	2,600	408	3,008
Councillor/Alderman	Murray Cowie	3,000	797	3,797
Councillor/Alderman	Lee Yeomans	4,875	1,353	6,228
Councillor/Alderman	Barrie Slater	2,650	659	3,309
Councillor/Alderman	Dave Chudyk	2,350	427	2,777
Councillor/Alderman				-
Councillor/Alderman				-
Councillor/Alderman				-
				-
				-
Total		26,800	6,033	32,833



Saskatchewan Municipal Hail Insurance Association
MUNICIPAL HAIL BUILDING, 2100 CORNWALL STREET
REGINA, SK S4P 2K7

AUDITOR'S STATEMENT, 2015

As Provided by The Municipal Hail Insurance Act
Rural Municipality of Milton No. 292

Please Show Items
in Dollars and Cents

	TOTAL LIABILITY TO ASSOCIATION		CASH		TAXES (HAIL ONLY)		LIABILITY A/C PROPERTY ACQUIRED		(DESCRIBE)	
	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR
Balance Due Jan. 1/15		12,579.07			12,579.07					
Penalties collected during year		246.74	246.74							
Penalties added to roll Dec. 31		252.00			252.00					
Current Levy		199,031.88			199,031.88					
Discount (current levy)	7,470.33					7,470.33				
Cancellations/Adjustments (explanation required)	-109,289.73					-109,289.73				
Cash Collections			297,196.95			297,196.95				
Transfer (give particulars)										
Cheques to Association	297,443.69			297,443.69						
TOTALS	195,624.29	212,109.69	297,443.69	297,443.69	211,862.95	195,377.55				
Balance Dec. 31/15	16,485.40					16,485.40				
GRAND TOTALS	212,109.69	212,109.69	297,443.69	297,443.69	211,862.95	211,862.95				

I have examined the Hail Insurance Accounts of the above mentioned Municipality for the year ended December 31, 2015, and in our opinion the above presents fairly the said accounts as at that date, and cash balance of \$297,443.69 shown above has now been remitted to the Association.

Signature

AUDITOR

Address 117.1 Ave. W. Kindersley, SK Date March 16, 2016
Sol 150