

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a professional Corporation

11210 – 107 Avenue N.W.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

**INDEPENDENT AUDITORS' REPORT
ON MUNICIPAL FINANCIAL INFORMATION RETURN**

To the Members of Council of the Town of Slave Lake

Opinion

We have audited the municipal financial information return of the **Town of Slave Lake**, which comprise the statement of financial position as at December 31, 2018, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial information return present fairly, in all material respects, the financial position of the **Town of Slave Lake** as at December 31, 2018, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

It is understood that this report, as requested by the Minister of Alberta Municipal affairs, is to be used primarily for statistical purposes. We have issued an audit report dated April 16, 2019 on the financial statements of the **Town of Slave Lake** for the year ended December 31, 2018 and reference should be made to those audited financial statements for complete information

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

The financial information return is prepared to assist the **Town of Slave Lake** to meet the requirements of the Municipal Government Act (Section 277(1)). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Information Return

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 information return that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITORS' REPORT - continued

Auditor's Responsibility for the Financial Information Return

Our objectives are to obtain reasonable assurance about whether the financial information return as a whole are free from material misstatement, 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 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:

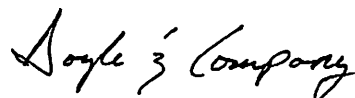
- Identify and assess the risks of material misstatement of the financial information return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial information return, and whether the financial information return 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Allan Grykuliak, CPA, CA

Edmonton, Alberta
April 16, 2019



Chartered Professional Accountants

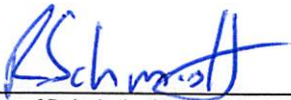
MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2018

Municipality Name: Town of Slave Lake

CERTIFICATION

The information contained in this Financial Information Return is presented fairly to the best of my knowledge.



Signature of Duly Authorized Signing Officer

Roland Schmidt

Print Name

April 16, 2019

Date

FINANCIAL POSITION

Schedule 9A

	Total 1
Assets	0010
Cash and Temporary Investments	0020 5,074,772
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current	0040 548,408
. Arrears	0050
. Allowance	0060 -10,000
Receivable From Other Governments	0070
Loans Receivable	0080
Trade and Other Receivables	0090 4,443,879
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land	0140
. Other	0150
Long Term Investments	0170
. Federal Government	0180
. Provincial Government	0190
. Local Governments	0200
. Other	0210 10,077,746
Other Current Assets	0230
Other Long Term Assets	0240 115,273
	0250
Total Financial Assets	0260 20,250,078
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290
Accounts Payable & Accrued Liabilities	0300 4,519,630
Deposit Liabilities	0310 363,770
Deferred Revenue	0340 6,303,813
Long Term Debt	0350 24,914,050
Other Current Liabilities	0360
Other Long Term Liabilities	0370 468,579
	0380
Total Liabilities	0390 36,569,842
Net Financial Assets (Net Debt)	0395 -16,319,764
Non Financial Assets	
Tangible Capital Assets.....	0400 149,591,441
Inventory for Consumption.....	0410 315,376
Prepaid Expenses	0420
Other.....	0430
Total Non-Financial Assets	0440 149,906,817
Accumulated Surplus	0450 133,587,053

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

	Unrestricted	Restricted	Equity in TCA	Total	
	1	2	3	4	
Accumulated Surplus - Beginning of Year	0500	1,337,503	9,910,900	119,431,418	130,679,821
Net Revenue (Expense)	0505	2,907,232			2,907,232
Funds Designated For Future Use.....	0511	-2,503,618	2,503,618		
Restricted Funds - Used for Operations.....	0512	397,453	-397,453		
Restricted Funds - Used for TCA.....	0513		-4,597,209	4,597,209	
Current Year Funds Used for TCA	0514	-4,128,229		4,128,229	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517	56,453		-56,453	
Annual Amortization Expense.....	0518	5,205,983		-5,205,983	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521	-1,782,971		1,782,971	
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Surplus - End of Year.....	0525	1,489,806	7,419,856	124,677,391	133,587,053

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue		Expense	
	1		2	
Total General	0700	9,571,041		
Function	0710		1150	
General Government	0720		1160	
Council and Other Legislative	0730		1170	262,540
General Administration	0740	126,846	1180	3,462,195
Other General Government.....	0750		1190	
Protective Services	0760		1200	
Police	0770	311,630	1210	1,914,980
Fire	0780	832,678	1220	1,551,371
Disaster and Emergency Measures	0790	781,866	1230	627,489
Ambulance and First Aid	0800		1240	
Bylaws Enforcement	0810	478,713	1250	426,104
Other Protective Services.....	0820		1260	
Transportation	0830		1270	
Common and Equipment Pool	0840		1280	
Roads, Streets, Walks, Lighting	0850	2,285,741	1290	3,451,381
Airport	0860	1,294,287	1300	1,402,505
Public Transit	0870		1310	
Storm Sewers and Drainage	0880		1320	
Other Transportation	0890		1330	
Environmental Use and Protection	0900		1340	
Water Supply and Distribution	0910	2,161,445	1350	2,495,466
Wastewater Treatment and Disposal	0920	3,042,039	1360	879,284
Waste Management	0930	848,119	1370	627,723
Other Environmental Use and Protection	0940		1380	
Public Health and Welfare	0950		1390	
Family and Community Support	0960	553,883	1400	629,501
Day Care	0970		1410	6,104
Cemeteries and Crematoriums	0980	10,900	1420	71,114
Other Public Health and Welfare	0990		1430	
Planning and Development	1000		1440	
Land Use Planning, Zoning and Development	1010	48,791	1450	397,305
Economic/Agricultural Development	1020	53,739	1460	145,102
Subdivision Land and Development	1030	77,116	1470	
Public Housing Operations	1040		1480	
Land, Housing and Building Rentals	1050	2,986,692	1490	1,713,328
Other Planning and Development.....	1060		1500	
Recreation and Culture	1070		1510	
Recreation Boards	1080		1520	
Parks and Recreation	1090	1,219,962	1530	3,448,207
Culture: Libraries, Museums, Halls	1100	60,030	1540	314,071
Convention Centres	1110		1550	
Other Recreation and Culture.....	1120		1560	
Other Utilities	1125		1565	
Gas	1126		1566	
Electric	1127		1567	
Other	1130	197,589	1570	210,105
Total Revenue/Expense	1140	26,943,107	1580	24,035,875
Net Revenue/Expense			1590	2,907,232

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total 1
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (Net Municipal)	1720	8,052,080
. Business	1730	
. Business Revitalization Zone	1740	
. Special	1750	
. Well Drilling	1760	
. Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	5,074,465
Penalties and Costs on Taxes	1810	
Licenses and Permits	1820	115,638
Fines	1830	413,143
Franchise and Concession Contracts	1840	1,184,909
Returns on Investments	1850	
Rentals	1860	3,235,231
Insurance Proceeds	1870	4,176
Net Gain on Sale of Tangible Capital Assets	1880	31,919
Contributed and Donated Assets.....	1885	
Federal Government Unconditional Transfers	1890	255,608
Federal Government Conditional Transfers	1900	
Provincial Government Unconditional Transfers	1910	6,752,548
Provincial Government Conditional Transfers	1920	
Local Government Transfers	1930	1,208,907
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	
Other Revenues	1970	614,483
Total Revenue	1980	26,943,107
Expenses	1990	
Salaries, Wages, and Benefits	2000	6,920,204
Contracted and General Services	2010	5,811,150
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	2,507,901
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	
Transfers to Individuals and Organizations	2070	1,793,853
Bank Charges and Short Term Interest	2080	19,351
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	1,155,784
Amortization of Tangible Capital Assets	2110	5,205,983
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures	2130	621,649
Total Expenses	2140	24,035,875
Net Revenue (Expense)	2150	2,907,232

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	51,113		721,409	
Other General Government.....	2230				
Protective Services	2240				
Police	2250	11,240			
Fire	2260	281,714		266,413	10,230
Disaster and Emergency Measures	2270		79,501	27,500	
Ambulance and First Aid	2280				
Bylaws Enforcement	2290			13,843	
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320				
Roads, Streets, Walks, Lighting	2330	52,838	2,186,492	1,410,153	13,036
Airport	2340				
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	2,098,483		1,407,417	53,354
Wastewater Treatment and Disposal	2400	1,256,176	1,821,438	419,138	
Waste Management	2410	848,118		6,457	
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440	12,646			
Day Care	2450				
Cemeteries and Crematoriums	2460	12,633		59,087	
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490	9,618			
Economic/Agricultural Development	2500	3,739			
Subdivision Land and Development	2510	77,116			
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530		13,804		982,763
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	359,031		874,566	96,401
Culture: Libraries, Museums, Halls	2580				
Convention Centres	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607				
Other	2610				
Total	2620	5,074,465	4,101,235	5,205,983	1,155,784

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative	2710				
General Administration	2720	27,978			
Other General Government.....	2730				
Protective Services	2740				
Police	2750				
Fire	2760	603,787		543,971	33,854
Disaster and Emergency Measures	2770	115,796			
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830	2,634,845			76,436
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	1,169,470			201,286
Wastewater Treatment and Disposal	2900	4,464,362			
Waste Management	2910	29,547			
Other Environmental Use and Protection	2920				
Public Health and Welfare	2930				
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960				
Other Public Health and Welfare	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000				
Subdivision Land and Development	3010				
Public Housing Operations	3020				
Land, Housing and Building Rentals	3030				1,361,900
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070	199,492			109,498
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	9,245,277		543,971	1,782,974

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems.....	3201	38,640,718	2,308,560		40,949,278
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	72,296,078	90,202		72,386,280
Wastewater Systems.....	3204	23,698,659	260,721		23,959,380
Storm Systems.....	3205				
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures	3210	134,635,455	2,659,483		137,294,938
Construction In Progress.....	3219	1,639,824	5,162,338		6,802,162
Buildings	3220	58,241,025	166,016		58,407,041
Machinery and Equipment	3230	4,505,767	1,217,965	-695,486	6,419,218
Land	3240	2,804,024			2,804,024
Land Improvements.....	3245	12,368,982	39,475		12,408,457
Vehicles	3250	4,562,106		864,399	3,697,707
Total Capital Property Cost	3260	218,757,183	9,245,277	168,913	227,833,547
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	29,420,819	1,158,603		30,579,422
Light Rail Transit Systems	3272				
Water Systems	3273	18,491,253	1,368,541		19,859,794
Wastewater Systems	3274	8,796,781	417,782		9,214,563
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures	3280	56,708,853	2,944,926		59,653,779
Buildings	3290	8,971,787	1,165,971		10,137,758
Machinery and Equipment	3300	2,489,359	355,515	-358,919	3,203,793
Land	3310				
Land Improvements.....	3315	2,927,601	488,376		3,415,977
Vehicles	3320	2,075,121	251,197	495,519	1,830,799
Total Accumulated Amortization	3330	73,172,721	5,205,985	136,600	78,242,106
Net Book Value of Capital Property	3340	145,584,462			149,591,441
Capital Long Term Debt (Net)	3350	26,153,053			24,914,050
Equity in Tangible Capital Assets	3400	119,431,409			124,677,391

LONG TERM DEBT SUPPORT

Schedule 9H

		Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support	3405			
Supported by General Tax Levies	3410		6,382,866	6,382,866
Supported by Special Levies	3420			
Supported by Utility Rates	3430		1,250,485	1,250,485
Other	3440		17,280,699	17,280,699
Total Long Term Debt Principal Balance	3450		24,914,050	24,914,050

LONG TERM DEBT SOURCES

Schedule 9I

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500		24,370,079	24,370,079
Canada Mortgage and Housing Corporation	3520			
Mortgage Borrowing	3600			
Other	3610		543,971	543,971
Total Long Term Debt Principal Balance	3620		24,914,050	24,914,050

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

		Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year	3700			
Current + 1	3710		1,941,737	1,941,737
Current + 2	3720		2,026,520	2,026,520
Current + 3	3730		2,042,927	2,042,927
Current + 4	3740		2,042,740	2,042,740
Current + 5	3750		2,133,340	2,133,340
Thereafter	3760		14,726,786	14,726,786
Total Principal	3770		24,914,050	24,914,050
Interest by Year	3780			
Current + 1	3790		1,090,589	1,090,589
Current + 2	3800		1,005,806	1,005,806
Current + 3	3810		917,724	917,724
Current + 4	3820		828,368	828,368
Current + 5	3830		737,767	737,767
Thereafter	3840		2,582,698	2,582,698
Total Interest	3850		7,162,952	7,162,952

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

		Property Taxes 1	Grants - in Place 2	Total 3
Property Taxes	3900			
Residential Land and Improvements	3910	6,968,429		6,968,429
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	3,724,849	268,875	3,993,724
Machinery and Equipment	3950	737		737
Linear Property	3960	192,128		192,128
Railway	3970			
Farm Land	3980			
Adjustments to Property Taxes	3990			
Total Property Taxes and Grants In Place	4000	10,886,143	268,875	11,155,018
Requisition Transfers			4010	
Education				
Residential/Farm Land			4031	1,748,219
Non-Residential			4035	1,018,854
Seniors Lodges			4090	335,449
Other			4100	416
Adjustments to Requisition Transfers			4110	
Total Requisition Transfers			4120	3,102,938
Net Municipal Property Taxes and Grants In Place			4130	8,052,080

GRANTS IN PLACE OF TAXES

Schedule 9L

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200				
Provincial Government	4210	268,875			268,875
Local Government	4220				
Other	4230				
Total	4240	268,875			268,875

DEBT LIMIT

Schedule 9AA

		1
Debt Limit	5700	34,174,442
Total Debt	5710	7,633,351
Debt Service Limit	5720	5,695,740
Total Debt Service Costs	5730	908,909

Alberta Municipal Affairs - Municipal Financial Information Return

Enter prior year Line 3450 Column 2 balance here:

26,153,053