

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

Doyle & Company
Chartered Professional Accountants

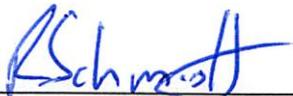
MUNICIPAL FINANCIAL INFORMATION RETURN

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

	Total	1
Assets		
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		
. Land	0140	
. Other	0150	
Long Term Investments		
. 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
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	
General Government	0720	
Council and Other Legislative	0730	
General Administration	0740	126,846
Other General Government.....	0750	
Protective Services	0760	
Police	0770	311,630
Fire	0780	832,678
Disaster and Emergency Measures	0790	781,866
Ambulance and First Aid	0800	
Bylaws Enforcement	0810	478,713
Other Protective Services.....	0820	
Transportation	0830	
Common and Equipment Pool	0840	
Roads, Streets, Walks, Lighting	0850	2,285,741
Airport	0860	1,294,287
Public Transit	0870	
Storm Sewers and Drainage	0880	
Other Transportation	0890	
Environmental Use and Protection	0900	
Water Supply and Distribution	0910	2,161,445
Wastewater Treatment and Disposal	0920	3,042,039
Waste Management	0930	848,119
Other Environmental Use and Protection	0940	
Public Health and Welfare	0950	
Family and Community Support	0960	553,883
Day Care	0970	
Cemeteries and Crematoriums	0980	10,900
Other Public Health and Welfare	0990	
Planning and Development	1000	
Land Use Planning, Zoning and Development	1010	48,791
Economic/Agricultural Development	1020	53,739
Subdivision Land and Development	1030	77,116
Public Housing Operations	1040	
Land, Housing and Building Rentals	1050	2,986,692
Other Planning and Development.....	1060	
Recreation and Culture	1070	
Recreation Boards	1080	
Parks and Recreation	1090	1,219,962
Culture: Libraries, Museums, Halls	1100	60,030
Convention Centres	1110	
Other Recreation and Culture.....	1120	
Other Utilities	1125	
Gas	1126	
Electric	1127	
Other	1130	197,589
Total Revenue/Expense	1140	26,943,107
Net Revenue/Expense	1580	24,035,875
	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
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
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
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	
Other Planning and Development.....	2540			982,763
Recreation and Culture	2550			
Recreation Boards	2560			
Parks and Recreation	2570	359,031		874,566
Culture: Libraries, Museums, Halls	2580			96,401
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	Additions	Reductions	Balance at End of Year
	1	2	3	4
Tangible Capital Assets - Cost				
Engineered Structures				
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	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				
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
Land	3310			3,203,793
Land Improvements.....	3315	2,927,601	488,376	3,415,977
Vehicles	3320	2,075,121	251,197	495,519
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**

Debt Limit
Total Debt
Debt Service Limit
Total Debt Service Costs

	1
5700	34,174,442
5710	7,633,351
5720	5,695,740
5730	908,909

Alberta Municipal Affairs - Municipal Financial Information Return

Enter prior year Line 3450 Column 2 balance here:

26,153.053