

Municipal Financial Reporting

Town of Slave Lake
2019 Annual Results

Why are the financial statements important?

- Municipal financial statements
 - Demonstrate accountability and transparency to citizens
 - Fulfill legislated requirements
 - Aid in effective long-term planning
 - Provide a snapshot in time

What are the key financial statements?

- **Statement of Financial Position**
 - Reports on assets, liabilities, accumulated surplus
- **Statement of Operations**
 - Reports on revenues, expenses, results
- **Statement of Change in Net Financial Assets (Debt)**
 - Reports on surplus (deficit), tangible capital asset acquisitions
- **Statement of Cash Flow**
 - Identifies cash sources and use

Supplementary Schedules

- Components of the annual statements that provide additional information
 - Included to assist the reader of the statements to understand the financial condition of the municipality
 - Can vary in detail and form

Typical Supplementary Schedules

- **Schedule of Tangible Capital Assets**
 - Compares net book value of TCAs to previous year
- **Schedule of Property and Other Taxes**
 - Reports on taxation, Alberta School Foundation Fund
- **Schedule of Government Transfers**
 - Transfers from federal, provincial and other local governments
- **Schedule of Consolidated Expenses by Object**
 - Includes amortization expense for TCAs

Notes to the Financial Statements

- Notes contain important detail and explanations of the financial statement information
- Some note disclosure required by legislation
 - Debt limits
 - Salary Disclosure

Typical Note Disclosure

- Notes to the financial statements disclose information about:
 - Accounting policies
 - Cash and investments
 - Deferred revenue
 - Employee benefit obligations
 - Debt and debt limits
 - Tangible capital assets
 - Accumulated surplus

Town of Slave Lake

2019 Statement of Financial Position

	<u>Current Year</u>	<u>Previous Year</u>
Total Financial Assets	\$ 20,020,297	\$ 20,250,078
Total Liabilities	\$ 43,435,731	\$ 36,569,841
Long Term Debt	\$ 29,997,407	\$ 24,914,050
Net Financial Assets (Debt)	\$18,415,434	\$ 16,319,763
Non Financial Assets	\$ 155,760,930	\$ 149,906,817
Accumulated Surplus	\$ 137,668,489	\$ 133,587,054

Town of Slave Lake

2019 Statement of Operations

	<u>Current Year</u>	<u>Previous Year</u>
Total Revenue	\$ 27,778,941	\$ 26,943,109
Total Expenses	\$ 22,972,847	\$ 24,035,876
Excess (Shortfall) of Revenue Over Expenses	\$ 4,081,441	\$ 2,907,233

Accumulated Surplus (beginning) \$ 133,587,054

Accumulated Surplus (ending) \$ 137,668,495

Town of Slave Lake

2019 Change in Net Financial Assets (Debt)

	<u>Current Year</u>	<u>Budgeted</u>
Acquisition of TCAs	\$ 11,521,913	\$ 23,960,548
Contributed TCAs	\$ None	\$ None
Increase (Decrease) in Net Debt	\$ 1,114,173	\$ 1,114,173
<hr/>		
Net Financial Assets (Debt) (beginning)		\$ (16,319,766)
Net Financial Assets (Debt) (ending)		\$ (18,415,437)

Town of Slave Lake

2019 Schedule of Changes in Accumulated Surplus

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible	2019	2018
	\$	\$	\$	\$	\$
Balance, Beginning of year	1,489,807	7,419,856	124,677,391	133,587,054	128,953,846
Excess of revenues over expenses	4,081,441	-	-	4,081,441	2,907,233
Unrestricted funds designated for future use	(5,793,589)	5,793,589	-	-	-
Restricted funds for operations	70,673	(70,673)	-	-	-
Restricted funds used for tangible capital assets	-	(2,825,789)	2,825,789	-	-
Current year funds used for tangible capital assets	(3,326,788)	-	3,326,788	-	-
Transfer from equity in tangible capital assets	1,513,715		(1,513,715)		
Disposal of tangible capital assets	118,729	-	(118,729)	-	-
Annual amortization expense	5,352,425	-	(5,352,425)	-	-
Long-term debt repaid	(1,918,424)	-	1,918,424	-	-
Change in accumulated surplus	98,182	2,897,127	1,086,132	4,081,441	2,907,233
Balance, End of year	1,587,989	10,316,983	125,763,523	137,668,495	133,587,054

Town of Slave Lake

2019 Statement of Cash Flows

	<u>Current Year</u>	<u>Previous Year</u>
Cash provided by operating transactions	\$ 10,823,233	\$ 9,830,198
Cash applied to capital transactions	\$ (11,491,913)	\$ (9,181,039)
Cash provided by (applied to) investing transactions	\$ 218,576	\$ 1,057,310
Cash provided by (applied to) financing transactions	\$ 5,083,357	\$ (1,239,003)
Change in cash and equivalents, during the year	\$ 4,196,101	\$ (467,466)
Cash and cash equivalents, end of year	\$ 9,270,873	\$ 5,074,772

Town of Slave Lake
2019 Schedule 1 - TCAs

	<u>2019</u>	<u>2018</u>
Cost of Tangible Capital Assets - opening	\$ 227,833,547	\$ 218,757,180
Additions & Reductions	\$ 11,403,184	\$ 9,076,366
Amortization & Adjustments	\$ 5,069,392	\$ 5,069,394
Net Book Value of Tangible Capital Assets	\$ 155,760,930	\$ 149,591,441

Town of Slave Lake

2019 Notes to Financial Statements

Note 7 - Deferred Revenue

	<u>2019</u>	<u>2018</u>
Firesmart	\$ 1,691,499	\$ 2,064,482
Basic Municipal Transportation Grant	\$ 391,437	\$ 387,031
Municipal Sustainability Grant	\$ 2,010,144	\$ 969,672
Municipal Cannabis Transition Program	\$ 22,868	\$ -
Government Centre Rent	\$ 869,140	\$ 869,140
Federal Gas Tax Fund	\$ 1,384,937	\$ 823,706
Donations	\$ 6,353	\$ 17,175
Under over levy schools	\$ 77,259	\$ -
Special Tax 5 th Ave NW Road Project	\$ -	\$ 497,654
Other	\$ 793,876	\$ 674,954

Town of Slave Lake

2019 Notes to Financial Statements

Note 9 – Debt Limit

Debt Limit Available	2019	2018
Debt Limit Available	\$ 21,528,860	\$ 26,541,091
Debt Service Limit Available	\$ 5,015,466	\$ 4,786,831
Total Debt for the Town of Slave Lake	\$ 14,017,390	\$ 7,633,351
Debt related to the Government Centre	\$ 15,980,016	\$ 17,280,699

On February 28, 2008 Ministerial Order L:015/08 was issued authorizing the Town to exceed the regulated limits and borrow up to \$29 million to complete the complete the construction of the government centre. The extension is based on a 20 year repayment schedule and the assumption that the provincial lease payments will cover the annual repayment costs. Accordingly, the debt related to the construction has been subtracted from the debt limits calculated above.

Town of Slave Lake

2019 Notes to Financial Statements

Note 19 – Salary and Benefits Disclosure

	<u>Months</u>	<u>2019 Year</u>	<u>2018 Year</u>
Mayor Warman	12	\$ 45,352	\$ 48,469
Councilor King	12	\$ 29,623	\$ 33,862
Councilor Ferguson	12	\$ 30,525	\$ 27,973
Councilor Gramlich	12	\$ 28,355	\$ 28,010
Councilor Busk	12	\$ 27,303	\$ 29,385
Councilor McGregor	12	\$ 36,024	\$ 29,145
Councilor Brandle	12	\$ 30,838	\$ 28,152
Town Manager	12	\$ 185,470	\$ 183,370

Summary of Audit Report

Opinion

“In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Slave Lake as at December 31, 2019, results of its operations, changes in its net financial assets and its cash flows for the year the ended in accordance with Canadian public sector accounting Standards.”

Doyle & Company



Questions