

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2018

Municipality Name: Town of Sylvan Lake

CERTIFICATION

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



Signature of Duty Authorized Signing Officer

WALLY FERRIS

Print Name

MAY 1st, 2019

Date

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Sylvan Lake

RSM Alberta LLP
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Opinion

We have audited the accompanying municipal financial information return (the return) of the Town of Sylvan Lake, as at December 31, 2018. The return has been prepared by management based on the accounting principles prescribed by the Minister of Alberta Municipal Affairs as provided for in Section 277 of the Municipal Government Act.

In our opinion, the financial information in the return of the Town of Sylvan Lake as at December 31, 2018, is prepared, in all material respects, in accordance with the accounting principles prescribed by the Minister of Alberta Municipal Affairs.

Basis for Opinions

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 section of our report. We are independent of the Town of Sylvan Lake 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 audit opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the fact that the return has been prepared in accordance with the accounting principles prescribed by the Minister of Alberta Municipal Affairs in the Financial Information Return Manual for December 31, 2018. The return, as requested by the Minister of Alberta Municipal Affairs, is to be used primarily for provincial statistical purposes. As a result, the return may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Town of Sylvan Lake and Ministry of Alberta Municipal Affairs and should not be distributed to parties other than the Town of Sylvan Lake or the Ministry of Alberta Municipal Affairs.

Other Matter

The Town of Sylvan Lake has prepared a separate set of financial statements for the year ended December 31, 2018 in accordance with Canadian public sector accounting standards on which we issued a separate auditor's report to the members of Council of the Town of Sylvan Lake dated April 30, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial information in accordance with the accounting principles prescribed by the Minister of Alberta Municipal Affairs as provided for in Section 277 of the Municipal Government Act, and for such internal control as management determines is necessary to enable the preparation of this financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Town of Sylvan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town of Sylvan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the return as a whole is 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 this financial information return.

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, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the return, including the disclosures, and whether the financial information 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.

RSM Alberta LLP

Chartered Professional Accountants
Red Deer County, Alberta
April 30, 2019

FINANCIAL POSITION

Schedule 9A

	Total
	1
Assets	0010
Cash and Temporary Investments	0020 20,284,599
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current	0040 851,221
. Arrears	0050 248,921
. Allowance	0060
Receivable From Other Governments	0070 143,815
Loans Receivable	0080
Trade and Other Receivables	0090 3,132,261
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land	0140 5,307
. Other	0150 552,791
Long Term Investments	0170
. Federal Government	0180
. Provincial Government	0190
. Local Governments	0200
. Other	0210
Other Current Assets	0230
Other Long Term Assets	0240
Total Financial Assets	0250
	0260 25,218,915
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290
Accounts Payable & Accrued Liabilities	0300 3,418,193
Deposit Liabilities	0310 783,082
Deferred Revenue	0340 537,162
Long Term Debt	0350 26,382,330
Other Current Liabilities	0360
Other Long Term Liabilities	0370
Total Liabilities	0380
	0390 31,120,767
Net Financial Assets (Net Debt)	0395 -5,901,852
Non Financial Assets	
Tangible Capital Assets.....	0400 201,818,845
Inventory for Consumption.....	0410 392,095
Prepaid Expenses	0420 247,576
Other.....	0430
Total Non-Financial Assets	0440 202,458,516
Accumulated Surplus	0450 196,556,664

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	2,793,582	9,725,616	174,893,898	187,413,096
Net Revenue (Expense)	0505	9,143,568			9,143,568
Funds Designated For Future Use.....	0511	-12,792,836	12,792,836		
Restricted Funds - Used for Operations.....	0512	2,587,488	-2,587,488		
Restricted Funds - Used for TCA.....	0513		-2,851,737	2,851,737	
Current Year Funds Used for TCA	0514	-889,175		889,175	
Donated and Contributed TCA.....	0516	-3,280,240		3,280,240	
Disposals of TCA.....	0517				
Annual Amortization Expense.....	0518	8,095,626		-8,095,626	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521	-1,411,756		1,411,756	
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Surplus - End of Year.....	0525	4,246,257	17,079,227	175,231,180	196,556,664

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue	Expense
	1	2
Total General	0700 22,033,070	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730 1,875	1170 386,374
General Administration	0740 235,607	1180 3,422,970
Other General Government.....	0750	1190
Protective Services	0760	1200
Police	0770 673,334	1210 2,568,402
Fire	0780 204,422	1220 1,749,803
Disaster and Emergency Measures	0790 5,618	1230 5,470
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810 403,175	1250 876,651
Other Protective Services.....	0820 248,479	1260 126,380
Transportation	0830	1270
Common and Equipment Pool	0840	1280
Roads, Streets, Walks, Lighting	0850 4,300,091	1290 8,819,774
Airport	0860	1300
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 4,590,941	1350 2,041,641
Wastewater Treatment and Disposal	0920 5,378,246	1360 2,318,462
Waste Management	0930 1,901,405	1370 1,765,521
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960 952,909	1400 1,654,711
Day Care	0970	1410
Cemeteries and Crematoriums	0980 27,021	1420 21,163
Other Public Health and Welfare	0990	1430
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010 540,863	1450 1,160,709
Economic/Agricultural Development	1020	1460
Subdivision Land and Development	1030	1470
Public Housing Operations	1040	1480
Land, Housing and Building Rentals	1050	1490
Other Planning and Development.....	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090 3,221,429	1530 8,223,735
Culture: Libraries, Museums, Halls	1100 110,023	1540 543,174
Convention Centres	1110	1550
Other Recreation and Culture.....	1120	1560
Other Utilities	1125	1565
Gas	1126	1566
Electric	1127	1567
Other	1130	1570
Total Revenue/Expense	1140 44,828,508	1580 35,684,940
Net Revenue/Expense		1590 9,143,568

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total 1
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (Net Municipal)	1720	16,415,136
. Business	1730	
. Business Revitalization Zone	1740	
. Special	1750	
. Well Drilling	1760	
. Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	13,179,455
Penalties and Costs on Taxes	1810	395,747
Licenses and Permits	1820	456,887
Fines	1830	310,338
Franchise and Concession Contracts	1840	1,709,421
Returns on Investments	1850	347,123
Rentals	1860	1,161,957
Insurance Proceeds	1870	
Net Gain on Sale of Tangible Capital Assets	1880	26,594
Contributed and Donated Assets.....	1885	3,280,240
Federal Government Unconditional Transfers	1890	
Federal Government Conditional Transfers	1900	
Provincial Government Unconditional Transfers	1910	
Provincial Government Conditional Transfers	1920	5,698,977
Local Government Transfers	1930	567,977
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	1,278,656
Other Revenues	1970	
Total Revenue	1980	44,828,508
Expenses	1990	
Salaries, Wages, and Benefits	2000	12,434,528
Contracted and General Services	2010	7,605,249
Purchases from Other Governments	2020	1,855,187
Materials, Goods, Supplies, and Utilities	2030	4,012,335
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	
Transfers to Individuals and Organizations	2070	636,017
Bank Charges and Short Term Interest	2080	30,163
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	898,765
Amortization of Tangible Capital Assets	2110	8,095,626
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures	2130	117,070
Total Expenses	2140	35,684,940
Net Revenue (Expense)	2150	9,143,568

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and	Provincial	Annual	Capital Long
		User	Capital	Amortization	Term Debt
		Charges	Transfers	Expense	Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	58,735		205,988	
Other General Government.....	2230				
Protective Services	2240				
Police	2250	81,204		103,252	199,579
Fire	2260	102,849		687,984	147,955
Disaster and Emergency Measures	2270	618			
Ambulance and First Aid	2280				
Bylaws Enforcement	2290	7,757		58,322	
Other Protective Services.....	2300	248,479			
Transportation	2310				
Common and Equipment Pool	2320				
Roads, Streets, Walks, Lighting	2330	135,973	3,236,273	3,943,931	1,393
Airport	2340				
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	4,324,442		470,361	4,669
Wastewater Treatment and Disposal	2400	5,178,095		504,093	40,785
Waste Management	2410	1,901,404		89,798	
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440	71,148			
Day Care	2450				
Cemeteries and Crematoriums	2460	17,021			
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490	87,885			
Economic/Agricultural Development	2500				
Subdivision Land and Development	2510				
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530				
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	963,845		1,923,208	504,384
Culture: Libraries, Museums, Halls	2580			108,689	
Convention Centres	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607				
Other	2610				
Total	2620	13,179,455	3,236,273	8,095,626	898,765

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				
Other General Government.....	2730				
Protective Services	2740				
Police	2750				169,213
Fire	2760	60,757			209,146
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790	66,661			
Other Protective Services.....	2800	49,852			
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830	2,057,618			30,696
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860	363,099	989,000		
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	837,486	665,000		9,242
Wastewater Treatment and Disposal	2900	679,693	269,000		110,145
Waste Management	2910	279,069			
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				
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070	508,072	1,357,240		883,314
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	4,902,307	3,280,240		1,411,756

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	78,023,028	1,673,588		79,696,616
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	31,156,865	1,043,277		32,200,142
Wastewater Systems.....	3204	30,742,805	948,693		31,691,498
Storm Systems.....	3205	15,915,867	1,352,099		17,267,966
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures	3210	155,838,565	5,017,657		160,856,222
Construction In Progress.....	3219	2,615,990	719,604	1,881,631	1,453,963
Buildings	3220	72,605,623	1,263,994		73,869,617
Machinery and Equipment	3230	4,406,549	548,086	194,928	4,759,707
Land	3240	15,971,436			15,971,436
Land Improvements.....	3245	16,565,789	212,014		16,777,803
Vehicles	3250	6,215,377	421,192	233,339	6,403,230
Total Capital Property Cost	3260	274,219,329	8,182,547	2,309,898	280,091,978
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	35,860,410	3,255,311		39,115,721
Light Rail Transit Systems	3272				
Water Systems	3273	6,726,631	458,079		7,184,710
Wastewater Systems	3274	9,667,602	504,094		10,171,696
Storm Systems	3275	2,984,478	226,961		3,211,439
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures	3280	55,239,121	4,444,445		59,683,566
Buildings	3290	5,751,397	1,457,236		7,208,633
Machinery and Equipment	3300	2,063,083	501,017	61,032	2,503,068
Land	3310				
Land Improvements.....	3315	3,783,046	847,501		4,630,547
Vehicles	3320	3,628,178	845,427	226,286	4,247,319
Total Accumulated Amortization	3330	70,464,825	8,095,626	287,318	78,273,133
Net Book Value of Capital Property	3340	203,754,504			201,818,845
Capital Long Term Debt (Net)	3350	28,860,606			26,587,665
Equity in Tangible Capital Assets	3400	174,893,898			175,231,180

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		25,776,258	25,776,258
Supported by Special Levies	3420			
Supported by Utility Rates	3430		606,072	606,072
Other	3440			
Total Long Term Debt Principal Balance	3450		26,382,330	26,382,330

LONG TERM DEBT SOURCES

Schedule 9I

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority	3500		25,842,330	25,842,330
Canada Mortgage and Housing Corporation	3520			
Mortgage Borrowing	3600			
Other	3610		540,000	540,000
Total Long Term Debt Principal Balance	3620		26,382,330	26,382,330

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

		Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year	3700			
Current + 1	3710		1,426,309	1,426,309
Current + 2	3720		1,404,673	1,404,673
Current + 3	3730		1,178,121	1,178,121
Current + 4	3740		1,223,480	1,223,480
Current + 5	3750		1,270,844	1,270,844
Thereafter	3760		19,878,903	19,878,903
Total Principal	3770		26,382,330	26,382,330
Interest by Year	3780			
Current + 1	3790		868,609	868,609
Current + 2	3800		821,129	821,129
Current + 3	3810		777,681	777,681
Current + 4	3820		732,323	732,323
Current + 5	3830		684,959	684,959
Thereafter	3840		5,051,860	5,051,860
Total Interest	3850		8,936,561	8,936,561

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	18,722,121		18,722,121
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	4,194,943	5,183	4,200,126
Machinery and Equipment	3950	22,376		22,376
Linear Property	3960	319,230		319,230
Railway	3970			
Farm Land	3980	14,218		14,218
Adjustments to Property Taxes	3990			
 Total Property Taxes and Grants In Place	4000	23,272,888	5,183	23,278,071
 Requisition Transfers	4010			
Education				
Residential/Farm Land	4031		5,425,968	
Non-Residential	4035		1,191,065	
Seniors Lodges	4090		245,124	
Other	4100		778	
Adjustments to Requisition Transfers	4110			
 Total Requisition Transfers	4120		6,862,935	
 Net Municipal Property Taxes and Grants In Place	4130		16,415,136	

GRANTS IN PLACE OF TAXES
Schedule 9L

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200	5,183			5,183
Provincial Government	4210				
Local Government	4220				
Other	4230				
 Total	4240	5,183			5,183

DEBT LIMIT**Schedule 9AA**

		1
Debt Limit	5700	57,428,102
Total Debt	5710	26,382,330
Debt Service Limit	5720	9,571,350
Total Debt Service Costs	5730	2,294,918

Enter prior year Line 3450 Column 2 balance here:

27,794,086
