
CITY OF COLD LAKE

2024 PRESENTATION TO COUNCIL



METRIX GROUP LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS

Jeff Alliston, CPA, CA
Partner

AUDIT OVERVIEW

- ❑ **ENHANCE DEGREE OF CONFIDENCE OF INTENDED USERS**
- ❑ **ACHIEVED BY AUDITOR EXPRESSING OPINION**
- ❑ **WHETHER FS PRESENT FAIRLY, IN ALL MATERIAL RESPECTS**
 - **WHETHER DUE TO FRAUD OR ERROR**
- ❑ **AUDITOR SEEKING REASONABLE ASSURANCE**
 - **HIGH LEVEL OF ASSURANCE**
 - **NOT ABSOLUTE ASSURANCE**
 - **MOST EVIDENCE PERSUASIVE NOT CONCLUSIVE**
- ❑ **AUDITOR EXERCISES PROFESSIONAL JUDGEMENT**
- ❑ **AUDITOR MAINTAINS PROFESSIONAL SKEPTICISM**
 - **QUESTIONING MIND**
 - **ALERT TO CONDITIONS WHICH MAY INDICATE POSSIBLE MISSTATEMENT**
 - **CRITICAL ASSESSMENT OF AUDIT EVIDENCE**

INDEPENDENT AUDITORS' REPORT

□ QUALIFIED OPINION

- **PRESENT FAIRLY IN ALL MATERIAL RESPECTS**
- **EXCEPT FOR THE POSSIBLE EFFECTS**

□ BASIS FOR QUALIFIED OPINION

- **IN ACCORDANCE WITH CANADIAN GAAS**

□ RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

- **PREPARATION AND FAIR PRESENTATION**
- **IN ACCORDANCE WITH CANADIAN PSAS**
- **RESPONSIBLE FOR ASSESSING ABILITY TO CONTINUE AS A GOING CONCERN**

□ AUDITORS' RESPONSIBILITIES FOR THE AUDIT

- **OBTAIN REASONABLE ASSURANCE**
- **ARE FREE FROM MATERIAL MISSTATEMENT**
- **PROCEDURES DEPEND ON AUDITORS' JUDGEMENT**
- **CONSIDER RELEVANT INTERNAL CONTROLS**
- **EVALUATE ACCOUNTING POLICIES / ESTIMATES**

STATEMENT OF FINANCIAL POSITION

	2024	2023 (Restated)
FINANCIAL ASSETS		
Cash and temporary investments	\$ 21,820,413	\$ 33,383,504
Taxes and grants in place of taxes	910,238	867,279
Trade and other receivables	6,476,706	3,636,613
Land held for resale	1,215,000	1,178,200
Investments	57,519,160	62,869,995
Investment in Cold Lake Primary Care Medical Clinic Ltd.	2,058,612	2,038,531
A	90,000,129	103,974,122
LIABILITIES		
Accounts payable and accrued liabilities	9,691,255	17,490,339
Deposit liabilities	760,924	1,063,270
Deferred revenue	8,448,803	8,798,209
Employee benefit obligations	1,257,534	1,258,063
Long-term debt	48,195,883	50,916,325
Asset retirement obligations	4,726,534	4,680,391
B	73,080,933	84,206,597
NET FINANCIAL ASSETS	A - B	C
	16,919,196	19,767,525
NON-FINANCIAL ASSETS		
Tangible capital assets	318,545,270	315,885,426
Inventory of supplies and materials	631,645	510,897
Prepaid expenses	617,003	599,438
D	319,793,918	316,995,761
ACCUMULATED SURPLUS	C+D	
	\$ 336,713,114	\$ 336,763,286

TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2024	2023
Current taxes	\$ 1,350,831	\$ 1,215,752
Arrears taxes	41,543,483	35,479,590
	42,894,314	36,695,342
Less: Allowance for doubtful accounts	(41,984,076)	(35,828,063)
	<u>\$ 910,238</u>	<u>\$ 867,279</u>

RECEIVABLES

	2024	2023
Trade accounts	\$ 4,385,900	\$ 2,820,416
Due from province	159,722	151,562
Goods and Services Tax receivable	526,398	587,147
Local improvement levies	64,108	70,588
Due from Cold Lake Regional Utility Service Commission	275,843	-
Due from other local governments	1,196,930	129,714
	6,608,901	3,759,427
Less: Allowance for doubtful accounts	(132,195)	(122,814)
	\$ 6,476,706	\$ 3,636,613

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DEFERRED REVENUE

	2023 (Restated)	Amounts Received	Interest and Other	Amounts Recognized	2024 (Actual)
GOVERNMENT TRANSFERS CAPITAL					
Municipal Sustainability Initiative	\$ 79,103	\$ -	\$ 233	\$ -	\$ 79,336
Canada Community Building Fund	604,354	962,364	602	1,567,320	-
GOVERNMENT TRANSFERS OPERATING					
Local government fiscal framework	-	288,574	-	288,574	-
Other	320,718	37,285	-	47,975	310,028
Family resource network	-	25,750	-	-	25,750
OTHER DEFFERED AMOUNTS					
Other	2,315,872	731,732	-	669,267	2,378,337
Offsite levies	5,478,162	160,573	16,617	-	5,655,352
	<u>\$ 8,798,209</u>	<u>\$ 2,206,278</u>	<u>\$ 17,452</u>	<u>\$ 2,573,136</u>	<u>\$ 8,448,803</u>

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LONG-TERM DEBT

- ❑ **LONG-TERM DEBT** - \$48,195,883
 - Province of Alberta - \$37,556,777 (2023 - \$40,033,830)
 - Federation of Canadian Municipalities - \$500,000 (2023 - \$NIL)
 - Canadian Imperial Bank of Commerce - \$10,639,106 (2023 - \$10,882,495)

- ❑ **DEBT REPAID** - \$3,220,442 (2022 - \$2,981,395)

- ❑ **MATURITY**
 - 2025 - 2043

- ❑ **INTEREST RATES**
 - 2.881% - 6.250%

DEBT LIMITS

	2024	2023
Total long-term debt limit	\$100,916,045	\$ 93,906,439
Total long-term debt actual	48,195,883	50,916,325
Amount of total debt limit unused	\$ 52,720,162	\$ 42,990,114
Debt servicing limit	\$ 16,819,341	\$ 15,651,073
Debt servicing actual	5,085,222	5,075,236
Amount of debt servicing limit unused	\$ 11,734,119	\$ 10,575,837

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NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

	OPENING BALANCE (RESTATED)	ADDITIONS	DISPOSALS	AMORTIZATION	TRANSFERS	ENDING BALANCE
LAND	\$ 41,048,045	\$ 689,375	\$ -	\$ -	\$ (592,914)	41,144,506
LAND IMPROVEMENTS	20,885,656	384,962	1,803,471	(1,413,377)	(13,666)	21,647,046
BUILDINGS	81,383,951	305,062	5,229,409	(2,524,231)	(821,446)	83,572,745
ENGINEERED STRUCTURES	133,823,961	15,499	5,522,400	(5,852,706)	(556,582)	132,952,572
MACHINERY AND EQUIPMENT	8,886,141	720,708	843,033	(1,435,728)	(403,484)	8,610,670
VEHICLES	5,600,951	767,947	330,250	(764,631)	(354,883)	5,579,634
WORK IN PROGRESS	24,256,721	14,974,303	(12,796,873)	-	(1,396,054)	25,038,097
	<u>\$ 315,885,426</u>	<u>\$ 17,857,856</u>	<u>\$ 931,690</u>	<u>\$ (11,990,673)</u>	<u>\$ (4,139,029)</u>	<u>\$ 318,545,270</u>

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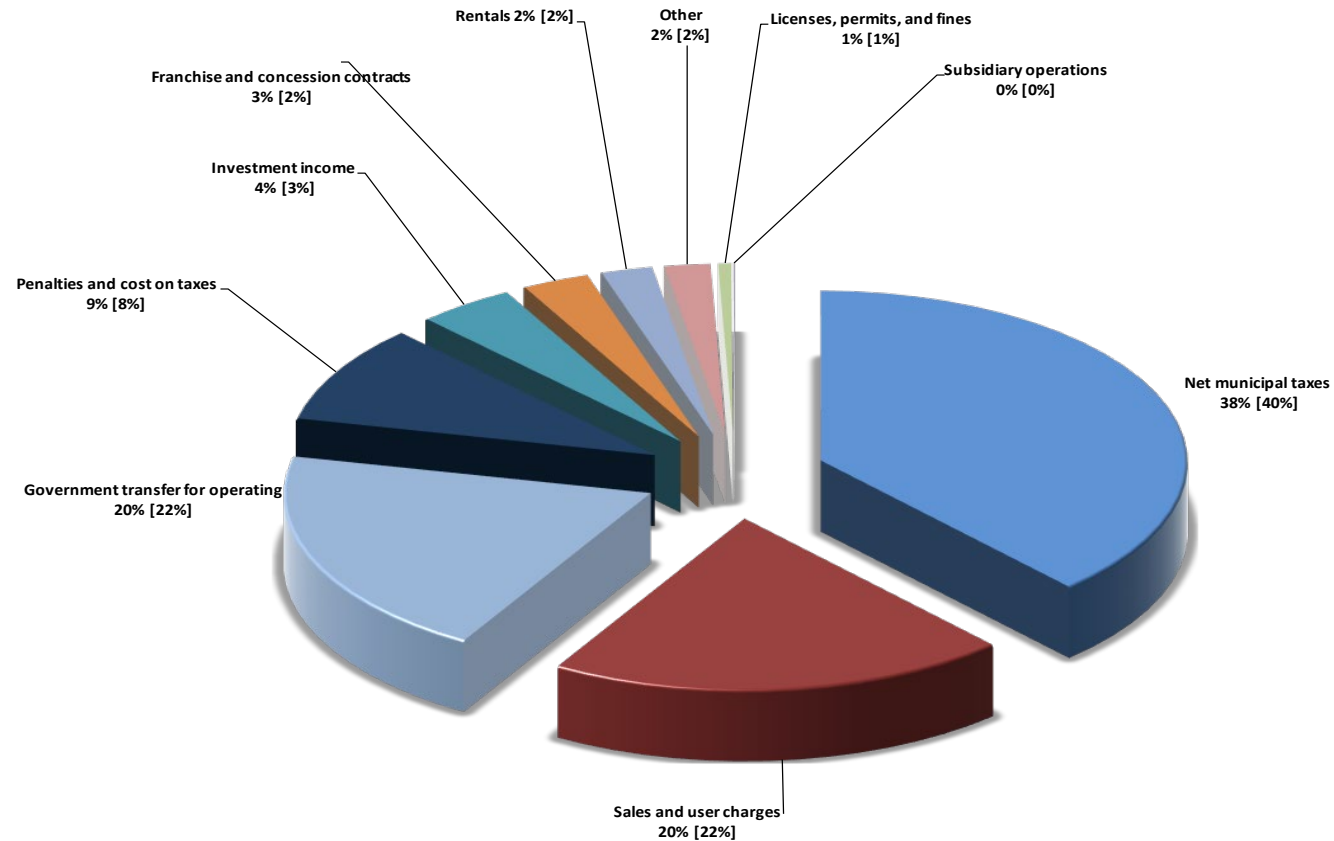
ACCUMULATED SURPLUS

	2024 (Actual)	2023 (Restated)
Unrestricted surplus	\$ 28,110,273	\$ 27,954,400
Restricted surplus:		
Public Works and Infrastructure	32,327,648	34,490,365
Community Services	3,840,517	7,887,712
General Government	3,627,261	2,755,670
Planning and Development	2,544,061	2,155,003
Electrical Utility Contribution	1,252,719	1,252,719
MD Waterline	500,355	466,425
Developer Contribution	385,678	385,678
Municipal Reserve	132,648	132,648
	44,610,887	49,526,220
Accumulated remeasurement gain and loss	(2,130,899)	(1,006,045)
Equity in tangible capital assets	266,122,853	260,288,710
Accumulated surplus total	\$ 336,713,114	\$ 336,763,285

OPERATING REVENUE

	2024 (Budget)	2024 (Actual)	2023 (Restated)
REVENUE			
Net municipal taxes	\$ 23,446,429	\$ 23,452,511	\$ 22,234,434
Sales and user charges	11,985,980	12,454,371	11,181,048
Government transfer for operating	11,789,805	12,260,512	12,419,578
Penalties and cost on taxes	322,600	5,720,768	4,219,527
Investment income	760,000	2,647,058	1,678,069
Franchise and concession contracts	1,776,183	1,821,043	1,363,820
Rentals	1,289,352	1,396,177	1,277,928
Other	136,500	1,245,477	982,595
Licenses, permits, and fines	383,400	360,796	580,993
Subsidiary operations - CLMC	-	(39,919)	78,347
	<u>\$ 51,890,249</u>	<u>\$ 61,318,794</u>	<u>\$ 56,016,339</u>

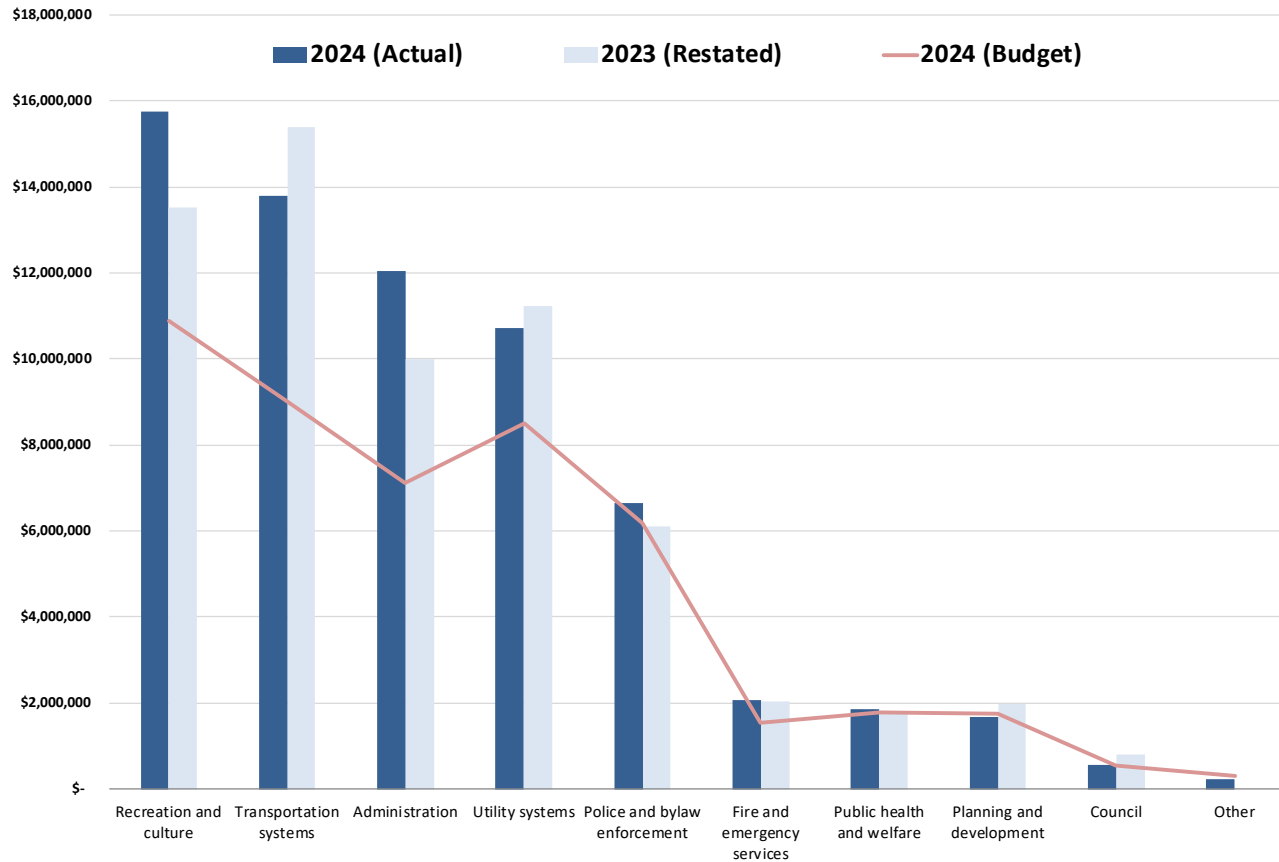
OPERATING REVENUE



EXPENSES BY FUNCTION

	2024 (Budget)	2024 (Actual)	2023 (Restated)
EXPENSES			
Recreation and culture	\$ 11,081,521	\$ 15,766,514	13,514,378
Transportation systems	8,807,815	13,806,769	15,384,824
Administration	7,113,939	12,041,997	9,993,530
Utility systems	8,493,966	10,706,217	11,232,743
Police and bylaw enforcement	6,171,155	6,665,891	6,113,529
Fire and emergency services	1,537,148	2,065,999	2,043,350
Public health and welfare	1,769,161	1,858,831	1,783,969
Planning and development	1,766,561	1,687,806	1,981,224
Council	539,616	552,956	801,779
Other	300,000	220,000	-
	<u>\$ 47,580,882</u>	<u>\$ 65,372,980</u>	<u>\$ 62,849,326</u>

EXPENSES BY FUNCTION



EXPENSES BY OBJECT

EXPENSES	2024 (Budget)	2024 (Actual)	2023 (Restated)
Salaries, wages and benefits	\$ 18,828,902	\$ 18,113,131	\$ 17,286,491
Amortization of tangible capital assets	-	11,990,673	11,426,158
Contracted and general services	10,386,812	11,436,047	12,955,351
Purchases from other governments	7,162,995	7,420,557	6,873,320
Provisions for allowances	1,008,000	6,123,734	4,517,998
Materials, goods, supplies and utilities	6,052,600	5,779,879	5,511,320
Transfers to Individuals and organizations	1,680,128	2,230,335	2,396,079
Interest on capital long-term debt	2,049,395	1,708,551	1,690,742
Loss on disposal of tangible capital assets	-	2,406,279	1,377,233
Accretion	-	225,030	76,744
Other operating expenses	366,700	286,388	61,301
Bank charges and short-term interest	45,350	58,655	53,822
	<u>\$ 47,580,882</u>	<u>\$ 67,779,259</u>	<u>\$ 64,226,559</u>

OTHER INCOME

	2024 (Budget)	2024 (Actual)	2023 (Restated)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES			
- BEFORE OTHER INCOME	<u>\$ 4,309,367</u>	<u>\$ (4,054,186)</u>	<u>\$ (6,832,987)</u>
OTHER INCOME			
Government transfers for capital	9,253,480	7,535,147	12,462,540
Contributed tangible capital assets	-	-	6,499,777
Loss on disposal of assets	-	(2,406,279)	(1,377,233)
	<u>9,253,480</u>	<u>5,128,868</u>	<u>17,585,084</u>
EXCESS OF REVENUE OVER EXPENSES	13,562,847	1,074,682	10,752,097
ACCUMULATED SURPLUS BEGINNING OF YEAR, AS PREVIOUSLY STATED	378,813,338	378,813,338	365,938,221
Restatement	-	(41,044,007)	(38,920,987)
ACCUMULATED SURPLUS, AS RESTATED	<u>378,813,338</u>	<u>337,769,331</u>	<u>327,017,234</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 392,376,185</u>	<u>\$ 338,844,013</u>	<u>\$ 337,769,331</u>

BUDGET RECONCILIATION

	2024 (Budget)	2024 (Actual)	2023 (Restated)
ANNUAL SURPLUS	<u>\$ 13,562,847</u>	<u>\$ 1,074,682</u>	<u>\$ 10,752,097</u>
Addback (deduct)			
Contributed tangible capital assets	-	-	(6,499,777)
Amortization of tangible capital assets	-	11,990,673	11,426,158
Debt proceeds	-	500,000	11,000,000
Principal debt repayments	(3,318,367)	(3,220,442)	(2,981,395)
Disposal of tangible capital assets (net of amortization)	-	3,207,339	1,572,455
Tangible capital asset purchases	(16,633,430)	(17,857,856)	(17,349,762)
Net transfers from (to) reserves	<u>6,388,950</u>	<u>4,288,979</u>	<u>2,838,750</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ -</u>	<u>\$ (16,625)</u>	<u>\$ 10,758,526</u>

SUMMARY

❑ ANNUAL SURPLUS

\$1,074,682 (2023, Restated – \$10,752,097)

❑ NET FINANCIAL ASSETS

\$16,919,196 (2023, Restated - \$19,767,525)

❑ AUDIT FINDINGS REPORT TO COUNCIL (see report)

- NO SIGNIFICANT CONTROL DEFICIENCIES
- RESTATEMENT FOR RECALCULATION OF TANGIBLE CAPITAL ASSETS
- RESTATEMENT FOR RECLASSIFICATION OF DEFERRED REVENUE
- UNCORRECTED MISSTATEMENTS
- NO SIGNIFICANT DIFFICULTIES

❑ THANK YOU TO MANAGEMENT & STAFF

❑ QUESTIONS?