



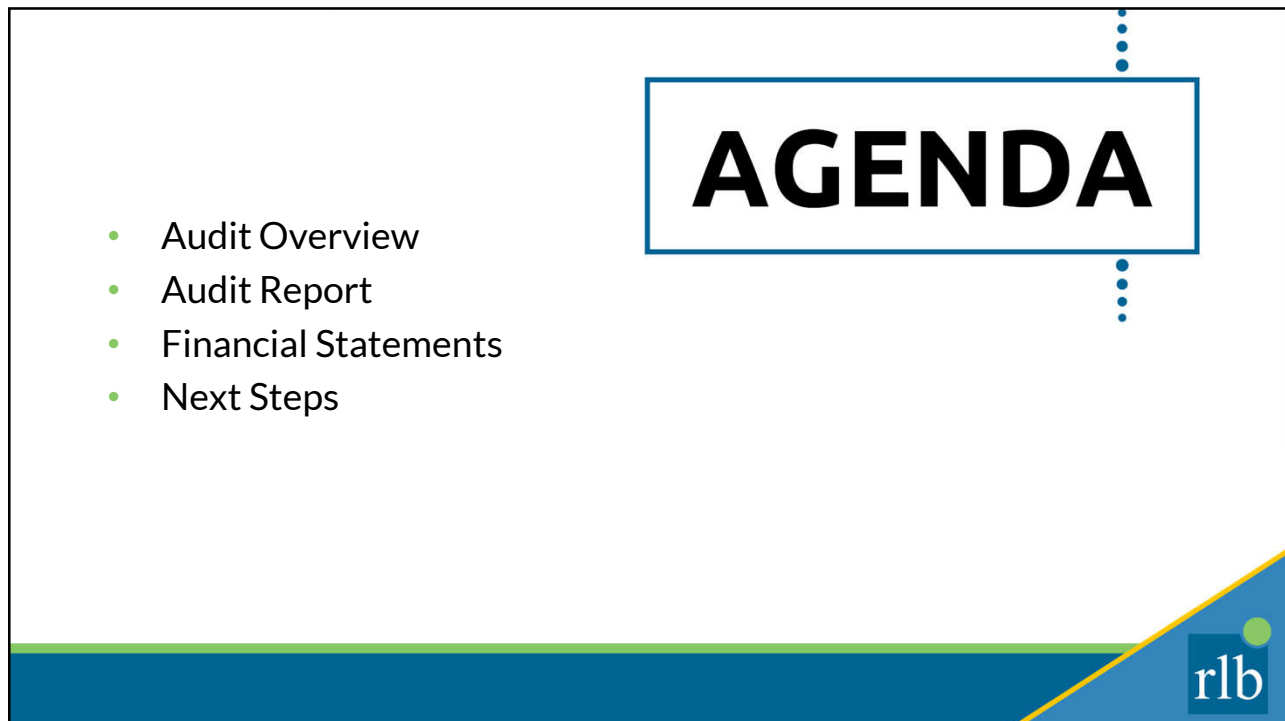
Town of Minto

2024 Financial Statements

Presented by Michelle Steele




1



AGENDA

- Audit Overview
- Audit Report
- Financial Statements
- Next Steps



2

Audit Overview

- Final materiality = \$690,000
- No change in key audit areas, risks or planned procedures since communicated in Pre-Audit Communication Letter
- No significant internal control deficiencies to communicate
- No known independence issues
- 6 adjusting entries identified and communicated
 - 2 entries for tangible capital assets
 - 3 entries to record reserve and reserve fund activity
- 6 unadjusted differences identified and communicated



3

Audit Report

- The financial statements present fairly, in all material respects, the financial position, result of operations and cash flows of the Town of Minto in accordance with Canadian public sector accounting standards
- Audit conducted in accordance with Canadian generally accepted auditing standards



4

Statement of Financial Position

- The Statement of Financial Position (similar to a Balance Sheet for non-public entities) is a snapshot of the municipality's assets, liabilities and accumulated surplus at a point in time
- Key areas:
 - Cash equivalents
 - Taxes receivable
 - Long term debt
 - Tangible capital assets
 - Accumulated surplus

rlb

5

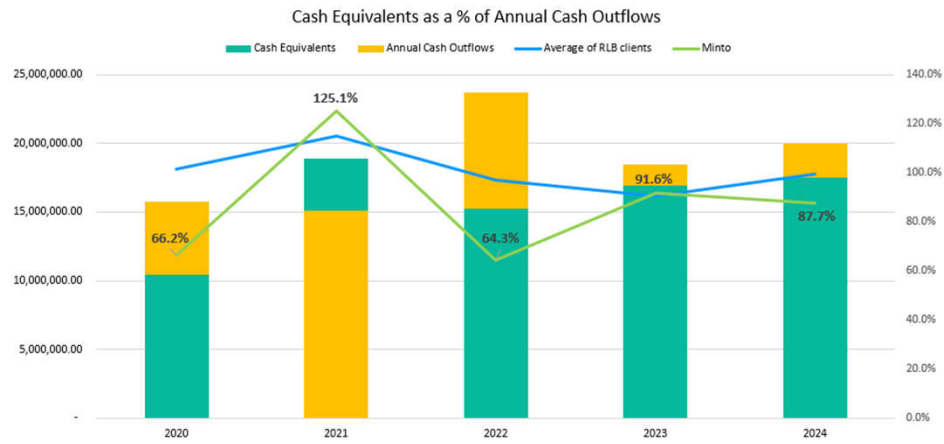
Statement of Financial Position

	2024	2023
FINANCIAL ASSETS		
Cash (note 4)	\$11,596,591	\$15,262,341
Portfolio investments	5,914,682	1,628,591
Taxes receivable	726,402	509,770
Accounts receivable	3,780,775	3,576,385
Accounts receivable - Canada	523,261	621,048
Accounts receivable - Provincial	115,901	140,336
North Wellington Health Care Corporation loan receivable (note 5)	1,100,000	1,150,000
Long term investment (note 6)	<u>1,696,046</u>	<u>1,696,046</u>
	<u>25,453,658</u>	<u>24,584,517</u>
LIABILITIES		
Accounts payable and accrued liabilities	4,168,260	3,130,036
Asset retirement obligations (note 16)	563,198	544,429
Post employment benefits	214,000	237,000
Deferred revenue	347,613	252,846
Deferred revenue - obligatory reserve funds (note 7)	2,847,279	3,127,642
Long term debt (note 8)	<u>8,314,980</u>	<u>9,570,917</u>
	<u>16,455,330</u>	<u>16,862,870</u>
NET FINANCIAL ASSETS	<u>8,998,328</u>	<u>7,721,647</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (schedule 1)	90,260,330	88,564,247
Inventories	101,802	87,673
Prepaid expenses	<u>88,251</u>	<u>95,993</u>
	<u>90,450,383</u>	<u>88,747,913</u>
ACCUMULATED SURPLUS (schedule 2)	<u>\$ 99,448,711</u>	<u>\$ 96,469,560</u>

rlb

6

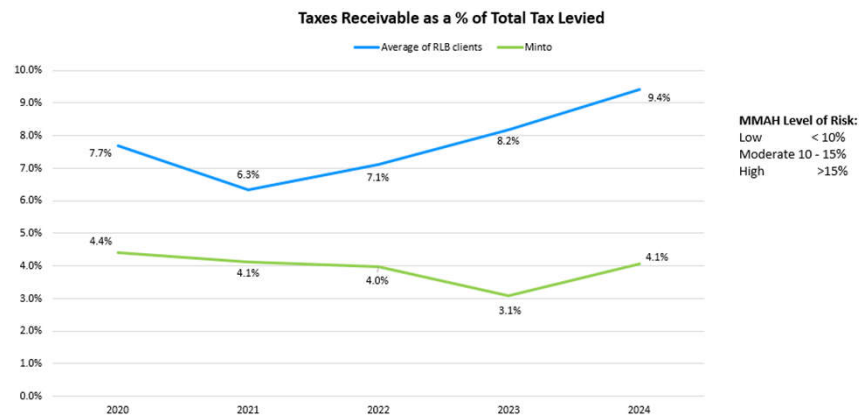
Cash Equivalents



rlb

7

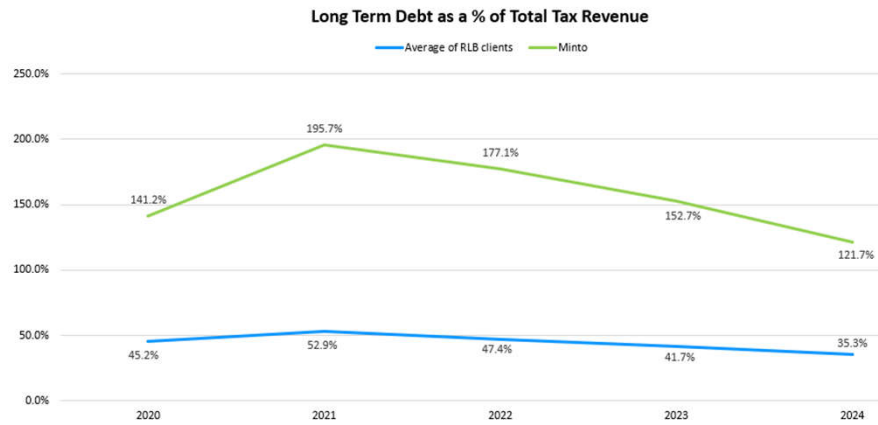
Taxes Receivable



rlb

8

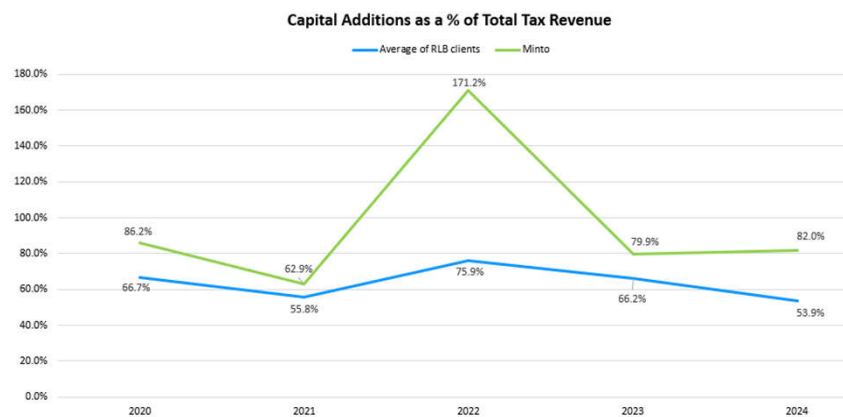
Long Term Debt



rlb

9

Tangible Capital Assets

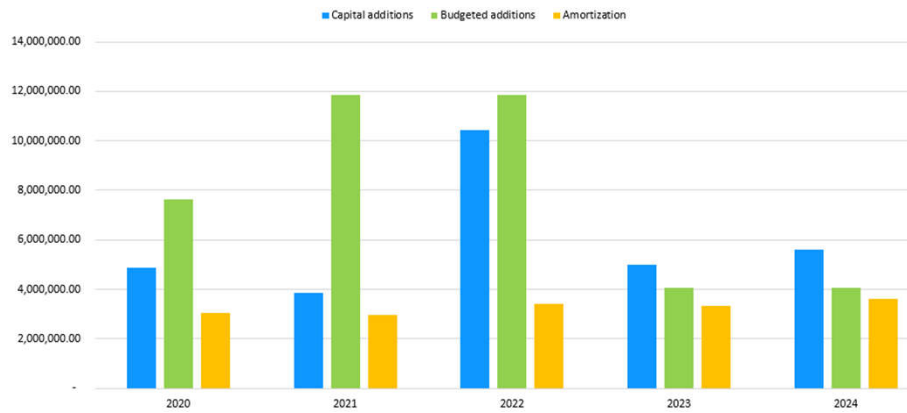


rlb

10

Tangible Capital Assets

Capital Additions vs. Budget vs. Amortization



rlb

11

Tangible Capital Assets

Capital Additions by Funding Source



rlb

12

Statement of Operations

- The Statement of Operations reports the revenues less expenses resulting in the annual surplus of the municipality
- Key areas:
 - Budget vs. actual results
 - Expenditures by department
 - Annual surplus
 - Accumulated surplus



13

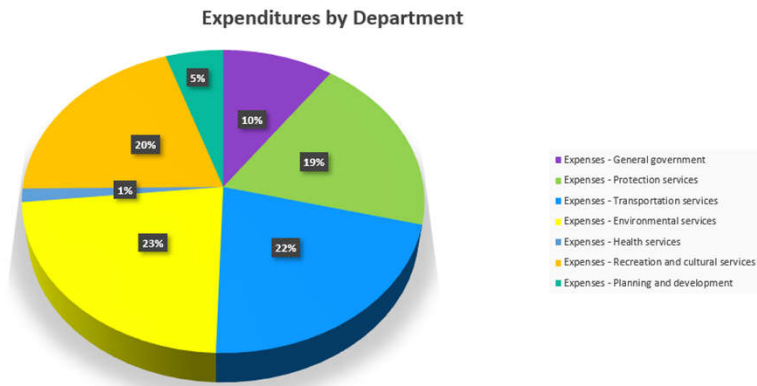
Statement of Operations

	2024 Budget (note 9)	2024 Actual	2023 Actual
REVENUES (schedule 3)			
Taxation	\$ 6,549,100	\$ 6,831,188	\$ 6,269,101
User fees	6,721,500	6,896,144	6,689,289
Grants (note 10)	2,124,500	2,144,839	2,242,576
Other income (note 11)	836,817	1,372,444	1,385,955
Obligatory reserve fund (note 7)	2,015,400	2,272,594	2,496,373
Gain on disposal of tangible capital assets	0	161,585	689
	<u>18,247,317</u>	<u>19,678,794</u>	<u>19,083,983</u>
EXPENSES (schedule 3)			
General government	1,811,239	1,636,757	1,508,383
Protection services	2,928,537	3,200,416	2,621,067
Transportation services	3,511,808	3,602,994	3,729,829
Environmental services	3,992,662	3,815,984	3,590,957
Health and social services	268,822	239,651	224,416
Recreation and cultural services	3,106,370	3,355,602	3,162,661
Planning and development	772,536	848,239	708,980
	<u>16,391,974</u>	<u>16,699,643</u>	<u>15,546,293</u>
ANNUAL SURPLUS	1,855,343	2,979,151	3,537,690
ACCUMULATED SURPLUS, beginning of year	<u>96,469,560</u>	<u>96,469,560</u>	<u>92,931,870</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 98,324,903</u>	<u>\$ 99,448,711</u>	<u>\$ 96,469,560</u>



14

Expenditures by Department



rlb

15

Expenditures by Department

	2020	2021	2022	2023	2024
Expenses - General government	9.6%	10.2%	10.4%	9.7%	9.8%
Expenses - Protection services	16.2%	17.3%	15.5%	16.9%	19.2%
Expenses - Transportation services	24.7%	24.8%	21.7%	24.0%	21.6%
Expenses - Environmental services	24.6%	24.3%	26.0%	23.1%	22.9%
Expenses - Health services	2.4%	2.0%	1.8%	1.4%	1.4%
Expenses - Recreation and cultural services	17.3%	16.1%	19.9%	20.3%	20.1%
Expenses - Planning and development	5.3%	5.4%	4.7%	4.6%	5.1%

rlb

16

Statement of Changes in Net Financial Assets

- The Statement of Changes in Net Financial Assets reconciles the annual surplus to the change in net financial assets, removing the activity of the non-financial assets



17

Statement of Changes in Net Financial Assets

	2024 Budget (note 9)	2024 Actual	2023 Actual
ANNUAL SURPLUS	<u>\$ 1,855,343</u>	<u>\$ 2,979,151</u>	<u>\$ 3,537,690</u>
Acquisition of tangible capital assets	(4,057,500)	(5,601,196)	(5,008,012)
Amortization of tangible capital assets	3,346,074	3,604,010	3,346,074
(Gain) loss on disposal of tangible capital assets	0	(161,585)	(689)
Proceeds on disposal of tangible capital assets	0	462,688	258,811
Prepaid expenses	0	7,742	(26,648)
Inventories	0	(14,129)	(1,300)
	<u>(711,426)</u>	<u>(1,702,470)</u>	<u>(1,431,764)</u>
INCREASE IN NET FINANCIAL ASSETS	1,143,917	1,276,681	2,105,926
NET FINANCIAL ASSETS, beginning of year	<u>7,721,647</u>	<u>7,721,647</u>	<u>5,615,721</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 8,865,564</u>	<u>\$ 8,998,328</u>	<u>\$ 7,721,647</u>



18

Statement of Cash Flows

- The Statement of Cash Flows breaks down the change in cash equivalents through the year between operating and capital sources

rlb

19

Statement of Cash Flows

	2024	2023
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 2,979,151	\$ 3,537,690
Items not requiring an outlay of cash		
Amortization of tangible capital assets	3,604,010	3,346,074
(Gain) loss on disposal of tangible capital assets	(161,585)	(689)
	<u>6,421,576</u>	<u>6,883,075</u>
Changes in non-cash working capital		
Taxes receivable	(216,632)	119,021
Accounts receivable	(204,390)	151,730
Accounts receivable - Canada	97,787	852,469
Accounts receivable - Provincial	24,435	524,905
North Wellington Health Care Corporation loan receivable	50,000	50,000
Inventories	(14,129)	(1,300)
Prepaid expenses	7,742	(26,648)
Accounts payable and accrued liabilities	1,038,224	(1,136,037)
Asset retirement obligations	18,769	544,429
Post employment benefits	(23,000)	(12,000)
Deferred revenue	94,767	62,310
Deferred revenue - obligatory reserve funds	(280,363)	(372,411)
	<u>7,014,786</u>	<u>7,639,543</u>
CASH USED IN FINANCING ACTIVITIES		
Long term debt	(1,255,937)	(1,236,733)
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,601,196)	(5,008,012)
Proceeds on disposal of tangible capital assets	462,688	258,811
	<u>(5,138,508)</u>	<u>(4,749,201)</u>
CASH USED IN INVESTING ACTIVITIES		
Portfolio investments	(4,286,091)	(268,072)
NET (DECREASE) INCREASE IN CASH	(3,665,750)	1,385,537
NET CASH, BEGINNING OF YEAR	<u>15,262,341</u>	<u>13,876,804</u>
NET CASH, END OF YEAR	<u>\$11,596,591</u>	<u>\$15,262,341</u>

rlb

20

Schedule of Accumulated Surplus

- The Schedule of Accumulated Surplus (Schedule 2) shows the various sources of the accumulated surplus, including reserves
- Reserves shown are amounts set aside by the municipality for specific purposes

rlb

21

Schedule of Accumulated Surplus

	2024	2023
SURPLUS		
Invested in tangible capital assets	\$ 81,500,631	\$ 78,542,319
General fund	<u>2,827,058</u>	<u>4,903,462</u>
	<u>84,327,689</u>	<u>83,445,781</u>
RESERVES		
Working capital	1,204,000	1,204,000
General rate stabilization	1,285,179	1,306,414
Legal and insurance	52,590	52,590
Economic development	30,146	16,081
Minto mental health	<u>5,000</u>	<u>5,000</u>
	<u>2,576,915</u>	<u>2,584,085</u>
RESERVE FUNDS		
Administration	40,018	(1,460)
Building - capital	159,157	96,550
Cemeteries	5,000	0
Community centres	191,756	445,120
Economic development	1,696,852	66,440
Fire	(308,377)	(350,929)
Minto hydro - shares	1,696,046	1,696,046
Minto hydro - westaro dividends	423,502	364,836
Municipal elections	33,717	16,730
Municipal modernization	0	231,085
Norgan theatre	191,397	152,615
Recreation satellite facilities	41,421	0
Urban tree care	57,053	0
Roads	312,408	222,196
Safe restart agreement	0	94,700
Water services contingency	500,000	500,000
Wastewater services contingency	500,000	500,000
Water services capital	3,701,475	2,899,404
Wastewater services capital	<u>3,302,682</u>	<u>3,506,361</u>
	<u>12,544,107</u>	<u>10,439,694</u>
ACCUMULATED SURPLUS	<u>\$ 99,448,711</u>	<u>\$ 96,469,560</u>

rlb

22

Deferred Revenue

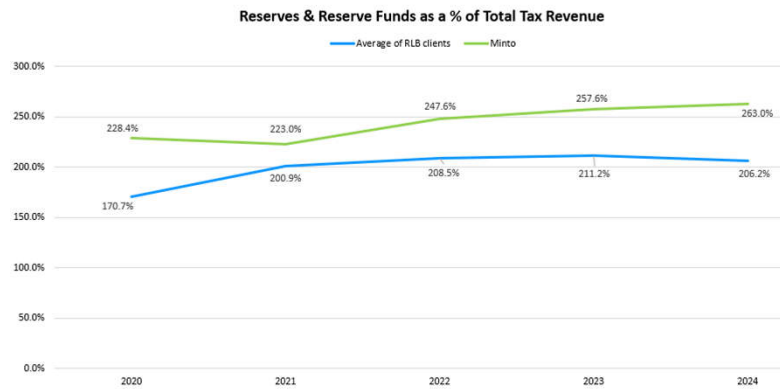
- The deferred revenue note reconciles the activity within obligatory reserve funds and other deferred items
- Deferred revenue is revenue received that has not yet been spent
- Obligatory reserve funds are deferred revenue that the municipality is required by law, regulation or the funding agreement that a reserve fund be utilized

Deferred Revenue

DEFERRED REVENUE

	Opening	Contributions	Investment	Revenue	Ending
		Received	Income	Recognized	
Obligatory reserve funds					
Development charges	\$ 2,325,367	\$ 198,062	\$ 137,227	\$ (343,600)	\$ 2,317,056
Federal gas tax	2,616	290,201	154	(238,000)	54,971
Building reserve (Bill 124)	453,602	0	26,769	(104,194)	376,177
Cash in lieu of parkland	51,092	4,500	3,015	0	58,607
OCIF	<u>294,965</u>	<u>1,314,896</u>	<u>17,407</u>	<u>(1,586,800)</u>	<u>40,468</u>
	<u>\$ 3,127,642</u>	<u>\$ 1,807,659</u>	<u>\$ 184,572</u>	<u>\$ (2,272,594)</u>	<u>\$ 2,847,279</u>

Reserve & Reserve Funds



rlb

25

Next Steps

Council and management to communicate any changes to representations given throughout the audit process or any awareness of fraud up to the date of financial statement approval

Approval of financial statements by Council

Receipt of signed management representation letter

Town's submission of Financial Information Return (FIR)

rlb

26



27



28

Find Us Online



Facebook: @RLB LLP
Instagram: @rlblp
Twitter: @RLBLLP
LinkedIn: @RLB LLP

rlb.ca

