

City of Prince Albert

31-Dec-23

Reconciliation from Financial Statements to Budgeted Surplus/Deficit

		General Fund	Sanitation Fund	Water Utility Fund	Land Fund	Airport Fund	Consolidated Entities	Total
Surplus (Deficit) per Schedule 3 of the Audited Financial Statements		32,752,135	589,504	410,963	4,021,979	(111,879)	34,445	37,697,147
Adjust:								
Capital Revenues	Note 1	(31,563,915)	-	-	(3,455,736)	(416,233)	-	(35,435,884)
Capital Gain/Loss	Note 2	235,270	(2,861)	79,450	-	(21,021)	-	290,838
Amortization	Note 3	8,119,229	1,110,366	5,688,880	-	673,930	316,134	15,908,539
Capital Expenditures	Note 3	(4,910,000)	(544,800)	(4,664,500)	-	(9,000)	-	(10,128,300)
Transfers to Reserves	Note 4	(9,975,576)	-	-	-	(287,924)	-	(10,263,500)
Transfers from Reserves	Note 5	5,119,583	-	-	183,096	45,179	-	5,347,858
Debt Principle Repaid	Note 6	(22,800)	-	-	(293,100)	-	-	(315,900)
Capital Budgeted in Operating	Note 7		(83,828)	(350,000)				(433,828)
Operating Surplus (Deficit)		(246,074)	1,068,381	1,164,793	456,239	(126,948)	350,579	2,666,970
							Less: Consolidated Entities	(350,579)
							City Surplus (all funds)	2,316,391

Notes

Note 1

Capital revenues are utilized for capital projects and not operations. Accounting standards require this funding to be reflected in the Income Statement however this funding is not generally used to balance operations.

Note 2

Capital gains/losses occur when an asset is disposed of. As these transactions relate to capital, they are adjusted from the operating surplus calculation.

Note 3

Amortization is an accounting value that represents the usage of a capital asset over time. The City budgets on a cash basis for capital purchases where we budget for the entire capital outlay in the year the outlay is required. Amortization therefore must be added back when comparing to budgeted values as it is not an outlay of cash. Capital expenditures funded by taxation must be reduced from the total as they are not presented on the Income Statement as an expense.

Note 4

Transfers to reserves do not appear on the Income Statement as they are not an accounting revenue/expense. However, the City budgets to fund transfers to reserves from the operating budget therefore must be adjusted when comparing to budget.

Note 5

During 2023 Budget deliberations and throughout 2023, amounts were approved to be transferred from reserves to cover operating items. These transfers are not reflected in the Income Statement as they do not represent an accounting revenue/expense, therefore are added to the total to show funding that was utilized from reserves to cover operating expenses.

Note 6

Debt principle repayment is not recorded on the Income Statement as it is a reduction in liabilities. However, the City budgets for this cash outflow therefore must be removed from the operating surplus calculation.

Note 7

The Sanitation Fund incurred an additional \$83,828 in 2023 relating to the landfill expansion which is not factored into their capital budget, therefore shown as a reduction to the operating surplus. Sewer relining in the amount of \$350,000 is consistently budgeted within operating in the Utility Fund however results in being a capitalized asset, therefore that funding must be removed to allocate to the capital budget.