



## Council

Jubilee Centre Council Chamber  
9909 Franklin Avenue, Fort McMurray, AB T9H 2K4

Tuesday, April 9, 2019  
4:00 PM

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## Agenda

1. **Call to Order (at 3:30 p.m. in Boardroom 7)**
2. **In-Camera Session**
  - 2.1. Advice from Officials – External Auditor Briefing  
(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)
3. **Adoption of Agenda (at 4:00 p.m. in Council Chamber)**
4. **Minutes of Previous Meetings**
  - 4.1. Council Meeting - March 26, 2019
5. **Recognition**
  - 5.1. Congenital Diaphragmatic Hernia Awareness Day
6. **New Business**
  - 6.1. 2018 Audited Consolidated Financial Statements

THAT the 2018 Audited Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ending December 31, 2018, be accepted as information.
  - 6.2. 2018 Non-Consolidated Financial Statements

THAT Council accept the 2018 Non-Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ended December 31, 2018 as information.

6.3. 2019 Capital Budget Amendments

THAT the 2019 Capital Budget Amendment as summarized on Attachment 1 (2019 Capital Budget Amendment – New & Revised Projects, dated April 9, 2019) be approved; and

THAT the revised Cash Flow of Capital Projects as summarized on Attachment 2 (2019 Capital Budget Amendment – New & Revised Projects - Cash Flow Summary, dated April 9, 2019) be approved.

6.4. Downtown Land Development: Next Steps

THAT Administration revisit the Land Planning and Development Advisory Committee recommendations and re-engage the community to gain a better understanding of community needs and desires for the subject lands.

**7. Councillors' Motions**

7.1. Lobbyist Registry

THAT Administration explore and bring forward a code of conduct bylaw amendment to include the provision for a lobbyist registry.

**Adjournment**

**Minutes of a Meeting of the Council of the Regional Municipality of Wood Buffalo held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, March 26, 2019, commencing at 4:00 PM.**

**Present:**

Don Scott, Mayor  
 Mike Allen, Councillor  
 Krista Balsom, Councillor  
 Bruce Inglis, Councillor  
 Sheila Lalonde, Councillor  
 Keith McGrath, Councillor  
 Phil Meagher, Councillor  
 Verna Murphy, Councillor  
 Jeff Peddle, Councillor  
 Claris Voyageur, Councillor

**Absent:**

Jane Stroud, Councillor

**Administration:**

Jamie Doyle, Acting Chief Administrative Officer  
 Jade Brown, Chief Legislative Officer  
 Christopher Booth, Acting Director, Planning and Development  
 Marc Fortais, Director, Public Works  
 Matthew Hough, Director, Engineering  
 Lynda McLean, Director, Communications, Stakeholder, Indigenous and Rural Relations  
 Linda Ollivier, Director, Financial Services  
 Susan Trylinski, Director, Legal Services  
 Heather Fredeen, Legislative Officer

**1. Call to Order**

Mayor D. Scott called the meeting to order at 2:35 p.m.

**2. In-Camera Session (at 2:30 p.m. in Boardroom 7)**

**MOTION:**

THAT Council close agenda items 2.1 and 2.2 and to the public pursuant to sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*.

**RESULT:** CARRIED [UNANIMOUS]  
**MOVER:** Balsom, Councillor  
**SECONDER:** Voyageur, Councillor  
**FOR:** Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur  
**ABSENT:** Stroud

## 2.1 Advice from Officials

### Information Update 1

(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)

Name	Reason for Attending
Jamie Doyle	Acting Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk
Lynda McLean	Director, Communications, Stakeholder, Indigenous and Rural Relations
Susan Trylinski	Director, Legal Services

### Pecuniary Interest

Councillor M. Allen declared a pecuniary interest in the upcoming matter and exited the meeting at 2:45 p.m.

### Information Update 2

(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)

Name	Reason for Attending
Jamie Doyle	Acting Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk
Lynda McLean	Director, Communications, Stakeholder, Indigenous and Rural Relations
Susan Trylinski	Director, Legal Services
Kari Westhaver	Director, Human Resources

### Return

Councillor M. Allen returned to the meeting at 2:50 p.m.

**2.2 Advice from Officials/Privileged Information**

(in camera pursuant to sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*)

Name	Reason for Attending
Jamie Doyle	Acting Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk
Lynda McLean	Director, Communications, Stakeholder, Indigenous and Rural Relations
Susan Trylinski	Director, Legal Services

**Recess**

A recess occurred between 3:25 p.m. and 4:00 p.m., at which time the meeting was reconvened in public in the Council Chamber.

**MOTION:**

THAT the meeting reconvene in public.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Phil Meagher, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**Moment of Silence**

Mayor D. Scott acknowledged the tragic attack that occurred in New Zealand and a moment of silence was held.

**3. Adoption of Agenda (at 4:00 p.m. in Council Chamber)****MOTION:**

THAT the Agenda be amended by inserting “Downtown Revitalization Update” as new item 6.4; and renumbered accordingly;

THAT Council waive any requirement to serve notice relative to the proposed addition; and

THAT the agenda be adopted as amended.

**RESULT:** CARRIED [UNANIMOUS]  
**MOVER:** Krista Balsom, Councillor  
**SECONDER:** Claris Voyageur, Councillor  
**FOR:** Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy,  
Peddle, Voyageur  
**ABSENT:** Stroud

#### 4. Consent Agenda

**MOTION:**

THAT the recommendations contained in items 4.1, 4.2, and 4.3 be approved.

##### 4.1. Special In-Camera Council Meeting – February 27, 2019

**MOTION:**

THAT the minutes of the Special In-Camera Council Meeting held on February 27, 2019 be approved as presented.

##### 4.2. Special In-Camera Council Meeting – March 12, 2019

**MOTION:**

THAT the minutes of the Special In-Camera Council Meeting held on March 12, 2019 be approved as presented.

##### 4.3. Council Meeting – March 12, 2019

**MOTION:**

THAT the minutes of the Council Meeting held on March 12, 2019 be approved as presented.

**RESULT:** CARRIED [UNANIMOUS]  
**MOVER:** Mike Allen, Councillor  
**SECONDER:** Verna Murphy, Councillor  
**FOR:** Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy,  
Peddle, Voyageur  
**ABSENT:** Stroud

## **5. Recognition**

### **5.1. International Transgender Day of Visibility**

Mayor D. Scott recognized March 3, 2019 as International Transgender Day of Visibility and acknowledged members of Pride YMM in the audience.

### **5.2. Green Shirt Day - Organ Donation Awareness**

Mayor D. Scott recognized April 7, 2019 as Green Shirt Day and acknowledged local transplant recipients and other special guests in the audience.

#### **Recess**

A brief recess occurred from 4:07 p.m. until 4:10 p.m.

## **6. Unfinished Business**

### **6.1. Public Hearing for Bylaw No. 18/006 - Land Use Bylaw Amendment - Cannabis Retail Store Separation Distance**

Mayor D. Scott declared the public hearing open at 4:11 p.m.

Christopher Booth, Acting Director, Planning and Development and Such Chandhiok Supervisor, Planning and Development, provided an overview of the proposed Land Use Bylaw amendments with respect to separation distances for Cannabis Retail Stores within the Urban Service Area.

There were no written or verbal submissions submitted.

Mayor D. Scott declared the public hearing closed at 4:45 p.m.

### **6.2. Bylaw No. 19/006 - Amendment to the Land Use Bylaw 99/059: General Regulations and Definitions Related to Separation Distance for Cannabis Retail Stores**

#### **Exit and Return**

Councillor K. Balsom exited the meeting at 5:01 p.m. and returned at 5:02 p.m.

## **MOTION:**

THAT Bylaw No. 19/006, being an amendment to the Land Use Bylaw specific to Cannabis separation distances, be read a second time.

**RESULT:** DEFEATED [5 TO 5]  
**MOVER:** Mike Allen, Councillor  
**SECONDER:** Krista Balsom, Councillor  
**FOR:** Allen, Balsom, Inglis, McGrath, Peddle  
**AGAINST:** Scott, Lalonde, Meagher, Murphy, Voyageur  
**ABSENT:** Stroud

### 6.3. Bylaw No. 19/005 - Integrity Commissioner Bylaw

Jade, Brown, Chief Legislative Officer and Susan Trylinski, Director, Legal Services, provided an overview of the proposed Integrity Commissioner Bylaw. S. Trylinski provided an introduction to the proposed Integrity Commissioner Appointee.

#### Exit and Return

Councillor S. Lalonde exited the meeting at 5:06 p.m. and returned at 5:07 p.m.

#### **MOTION:**

THAT Bylaw No. 19/005, being the Integrity Commissioner Bylaw, be read a second time.

**RESULT:** CARRIED [UNANIMOUS]  
**MOVER:** Krista Balsom, Councillor  
**SECONDER:** Phil Meagher, Councillor  
**FOR:** Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur  
**ABSENT:** Stroud

#### **MOTION:**

THAT Bylaw No. 19/005 be read a third and final time.

**RESULT:** CARRIED [UNANIMOUS]  
**MOVER:** Phil Meagher, Councillor  
**SECONDER:** Krista Balsom, Councillor  
**FOR:** Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur  
**ABSENT:** Stroud



**MOTION:**

THAT Whistleblower Policy LEG-150, dated March 26, 2019, be approved.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Sheila Lalonde, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**MOTION:**

THAT Jim Peacock, Q.C., be appointed as Integrity Commissioner effective immediately to April 1, 2021.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Jeff Peddle, Councillor
<b>SECONDER:</b>	Phil Meagher, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**6.4. Downtown Revitalization Update**

Jamie Doyle, Acting Chief Administrative Officer, provided a verbal update on the Downtown Revitalization initiative.

**6.5. Shell Place Feasibility Study**

Matthew Hough, Director, Engineering, provided an overview and timeline of the requirements to undertake a Feasibility Study on Shell Place.

Exit and Return

Councillor K. McGrath exited the meeting at 5:20 p.m. and returned at 5:23 p.m.

Councillor B. Inglis exited the meeting at 5:23 p.m. and returned at 5:24 p.m.

The following motion was moved by Councillor S. Lalonde and seconded by Councillor V. Murphy:

“THAT Administration undertake a feasibility study to change the Shell Place stadium field and bleachers to an all-weather indoor structure.”

Councillor K. Balsom then put forward an amendment to the motion as follows:

**MOTION:**

THAT the following words be added after the word “structure”, “and as part of the feasibility study, also explore other options for an alternative multi-purposed facility within the downtown core as part of the downtown revitalization strategic initiative.”

<b>RESULT:</b>	<b>CARRIED [8 TO 2]</b>
<b>MOVER:</b>	Krista Balsom, Councillor
<b>SECONDER:</b>	Verna Murphy, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, Murphy, Peddle, Voyageur
<b>AGAINST:</b>	McGrath, Meagher
<b>ABSENT:</b>	Stroud

The main motion was again presented as amended:

**MOTION:**

THAT Administration undertake a feasibility study to change the Shell Place stadium field and bleachers to an all-weather indoor structure and as part of the feasibility study, also explore other options for an alternative multi-purposed facility within the downtown core as part of the Downtown Revitalization Strategic Initiative.

<b>RESULT:</b>	<b>CARRIED [8 TO 2]</b>
<b>MOVER:</b>	Sheila Lalonde, Councillor
<b>SECONDER:</b>	Verna Murphy, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, Murphy, Peddle, Voyageur
<b>AGAINST:</b>	McGrath, Meagher
<b>ABSENT:</b>	Stroud

Recess

A recess occurred between 6:00 p.m. and 6:13 p.m.

**7. New Business**

**7.1. 2019 Capital Budget Amendments - New and Revised Projects**

Linda Ollivier, Director, Financial Services, provided an overview of the Capital Budget Amendments before Council for consideration.

**MOTION:**

THAT the 2019 Capital Budget Amendment as summarized on Attachment 1 (2019 Capital Budget Amendment – New and Revised Project, dated March 26, 2019) be approved; and

THAT the revised Cash Flow of Capital Projects as summarized on Attachment 2 (2019 Capital Budget Amendment – New & Revised Project - Cash Flow Summary, dated March 26, 2019) be approved.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Phil Meagher, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**7.2. Municipal Debt Payment Plan**

Linda Ollivier, Director, Financial Services and Ray Cayen, Manager Financial Planning and Reporting, provided a presentation on the Municipality's current debts and an overview of the proposed Municipal Debt Payment Plan.

**MOTION:**

THAT Administration pay in full the Committed Drawn Debt held by Alberta Capital Finance Authority (ACFA) using uncommitted reserve funds by the end of the first quarter 2019, or as soon as possible thereafter; and

THAT funds allocated within the 2019 Budget and 2020 – 2021 Financial Plan continue to be used to fund previously approved debenture-funded capital projects to eliminate the committed undrawn debt by Q2 2021.

<b>RESULT:</b>	<b>CARRIED [9 TO 1]</b>
<b>MOVER:</b>	Krista Balsom, Councillor
<b>SECONDER:</b>	Verna Murphy, Councillor
<b>FOR:</b>	Scott, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>AGAINST:</b>	Allen
<b>ABSENT:</b>	Stroud

### 7.3. Bylaw No. 19/008 - Bylaw Amendment - Community Standards Appeal Committee

Sonia Soutter, Legislative Officer, provided an overview of the proposed amendments to the Community Standards Appeal Committee Bylaw No. 19/001.

#### MOTION:

THAT Bylaw No. 19/008, being a bylaw to amend the Community Standards Appeal Committee Bylaw No. 19/001, be read a first time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Phil Meagher, Councillor
<b>SECONDER:</b>	Verna Murphy, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

#### MOTION:

THAT Bylaw No. 19/008 be read a second time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Jeff Peddle, Councillor
<b>SECONDER:</b>	Phil Meagher, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

#### MOTION:

THAT Bylaw No. 19/008 be considered for third reading.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Krista Balsom, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**MOTION:**

THAT Bylaw No. 19/008 be read a third and final time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Phil Meagher, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**7.4. Bylaw No. 19/007 – Regional Municipality of Wood Buffalo (2022) Arctic Winter Games Bylaw**

Lynda McLean, Director Communications, Stakeholder, Indigenous and Rural Relations, provided an overview of the proposed Bylaw.

**MOTION:**

THAT Bylaw No. 19/007, being a bylaw to establish the Regional Municipality of Wood Buffalo (2022) Arctic Winter Games Host Society, be read a first time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Verna Murphy, Councillor
<b>SECONDER:</b>	Krista Balsom, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**MOTION:**

THAT Bylaw No. 19/007 be read a second time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Jeff Peddle, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**MOTION:**

THAT Bylaw No. 19/007 be considered for third reading.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Phil Meagher, Councillor
<b>SECONDER:</b>	Sheila Lalonde, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**MOTION:**

THAT Bylaw No. 19/007 be read a third and final time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Krista Balsom, Councillor
<b>SECONDER:</b>	Claris Voyageur, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**7.5. Request for Leave of Absence**

Jade Brown, Chief Legislative Officer, introduced the matter and provided an overview of the report.

**MOTION:**

THAT an unpaid leave of absence, inclusive of salary and benefits, be authorized for Councillor Jane Stroud, for the period March 19 to April 16, 2019.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Phil Meagher, Councillor
<b>SECONDER:</b>	Jeff Peddle, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**8. Councillors' Motions****8.1. Transit App****MOTION:**

THAT Administration investigate and report back to Council on the costs, as well as any other relevant information including resources required and implementation time, to develop or purchase a transit app that will enhance customer experience and increase transit utilization in the Region.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Keith McGrath, Councillor
<b>SECONDER:</b>	Mike Allen, Councillor
<b>FOR:</b>	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Voyageur
<b>ABSENT:</b>	Stroud

**Adjournment**

The meeting adjourned at 6:57 p.m.

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Mayor

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Chief Legislative Officer



## COUNCIL REPORT

Meeting Date: April 9, 2019

### **Subject: 2018 Audited Consolidated Financial Statements**

#### **APPROVALS:**

**Annette Antoniak**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Administrative Officer

#### **Recommended Motion:**

THAT the 2018 Audited Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ending December 31, 2018, be accepted as information.

#### **Summary:**

The *Municipal Government Act* requires that every Alberta municipality prepare and submit a Financial Information Return and Audited Financial Statements by May 1 of each year for the preceding year.

#### **Background:**

All information from subsidiary Corporations which includes the Regional Recreation Corporation of Wood Buffalo, Regional Municipality of Wood Buffalo Public Library Board, the Wood Buffalo Housing and Development Corporation and the Wood Buffalo Economic Development Corporation have been fully consolidated within the Regional Municipality of Wood Buffalo Financial Statements.

The Municipality's 2018 Audited Consolidated Financial Statements have been audited by Deloitte LLP, the Municipality's Auditors, and will also be made available to the public on the Regional Municipality of Wood Buffalo's website. The Auditors will provide a 2018 Audit Report following completion of their audit work.

#### **Rationale for Recommendation:**

Section 276 of the Municipal Government Act requires that all municipalities prepare annual financial statements and the auditor's report by May 1 of each year for the immediate preceding year.

#### **Strategic Priorities:**



Responsible Government

**Attachments:**

**1. 2018 Consolidated Audit Financial Statements**

**2. 2018 Year End Auditor's Communication Report**

**WBRL 2018 Financial Presentation**

**RRC 2018 Financial Presentation**

**WBHD 2018 Financial Presentation**

Consolidated Financial Statements of

# **REGIONAL MUNICIPALITY OF WOOD BUFFALO**

Year ended December 31, 2018

**Consolidated Financial Statements of**

# **REGIONAL MUNICIPALITY OF WOOD BUFFALO**

**Year ended December 31, 2018**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Regional Municipality of Wood Buffalo (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies followed by the Municipality are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Mayor and Members of Council met with management and the external auditors to discuss the consolidated financial statements and any significant financial reporting or internal control matters prior to the management approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent auditors appointed by the Municipality. The Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

For: Regional Municipality of Wood Buffalo

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Linda Ollivier, CPA, CMA  
Director, Financial Services

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Annette Antoniak  
Chief Administrative Officer

April 9, 2019

Deloitte LLP  
2000 Manulife Place  
10180 - 101 Street  
Edmonton AB T5J 4E4  
Canada

Tel: 780-421-3611  
Fax: 780-421-3782  
www.deloitte.ca

## Independent Auditor's Report

To the Mayor and members of Council of the Regional Municipality of Wood Buffalo

We have audited the accompanying consolidated financial statements of the Regional Municipality of Wood Buffalo, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional Municipality of Wood Buffalo as at December 31, 2018 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
April 9, 2019

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Consolidated Statement of Financial Position**

December 31, 2018

	2018	2017
		(Restated - Note 27)
<b>Financial assets</b>		
Cash and cash equivalents	\$ 112,728,560	\$ 46,196,530
Restricted cash (Note 2)	15,004,737	34,328,895
Taxes and grants in lieu receivable (Note 3)	10,122,011	7,223,492
Trade and other receivables (Note 4)	73,555,495	54,985,899
Inventories held for resale (Note 5)	1,590,805	3,189,881
Investments (Note 6)	1,153,164,748	965,928,764
Mortgages and notes receivable (Note 7)	6,976,641	7,024,397
	1,373,142,997	1,118,877,858
<b>Liabilities</b>		
Accounts payable and accrued liabilities	72,742,348	98,549,584
Deposit liabilities	8,576,948	8,363,300
Deferred revenue (Note 8)	91,102,365	139,687,518
Employee benefit obligations (Note 9)	18,351,315	18,201,356
Contaminated sites liability (Note 10)	1,839,866	652,740
Provision for landfill closure and post-closure obligation (Note 11)	13,974,378	13,238,757
Long-term debt (Note 12)	345,336,599	385,336,166
	551,923,819	664,029,421
<b>Net financial assets</b>	821,219,178	454,848,437
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	4,216,459,520	4,172,621,654
Consumable inventories	4,159,215	5,879,819
Prepaid expenses	4,680,715	3,526,456
	4,225,299,450	4,182,027,929
<b>Accumulated surplus (Note 15)</b>	\$ 5,046,518,628	\$ 4,636,876,366

Contractual rights (Note 19)

Commitments and contingent liabilities (Note 20)

See accompanying notes to consolidated financial statements.

**Approved by:**

\_\_\_\_\_  
Director, Financial Services

\_\_\_\_\_  
Chief Administrative Officer

Attachment: 1. 2018 Consolidated Audit Financial Statements (2018 Audited Consolidated Financial Statements)

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Consolidated Statement of Operations and Accumulated Surplus**

For the Year Ended December 31, 2018

	Budget	2018	2017
	(Note 24)		(Restated - Note 27)
<b>Revenue:</b>			
Net taxes available for municipal purposes (Note 16)	\$ 671,060,641	\$ 683,338,605	\$ 730,399,396
Government transfers for operating (Note 17)	21,743,893	50,943,150	61,896,981
Sales and user charges (Note 23)	59,172,479	60,960,237	80,725,961
Sales to other governments	2,596,471	2,609,849	3,459,778
Penalties and costs on taxes	4,308,300	5,290,963	2,800,444
Licenses and permits	3,470,200	4,919,468	2,972,370
Fines	3,100,100	3,603,273	4,963,888
Franchise and concession contracts	7,919,000	7,875,171	7,802,627
Returns on investments	17,888,326	23,944,476	18,464,996
Rentals	19,379,411	19,984,121	19,491,253
Developers' agreements and levies (expenses)	-	21,017,127	(2,138,881)
Other	4,216,324	14,294,515	5,783,256
Gain on disposal of tangible capital assets	-	7,346,931	-
	814,855,145	906,127,886	936,622,069
<b>Expenses (Note 18):</b>			
Council and other legislative	1,628,245	1,054,658	1,332,859
General administration	75,240,509	96,840,030	190,761,714
Other general government	37,169,285	45,422,872	20,678,425
Police	37,978,200	35,584,449	37,504,376
Fire	30,835,598	32,522,008	35,084,990
Disaster and emergency measures	973,130	1,443,045	3,585,499
Ambulance and first aid	8,605,400	8,322,175	8,585,914
Bylaws enforcement	9,010,337	8,913,344	10,124,772
Common and equipment pool	20,589,773	24,086,672	28,189,689
Roads, streets, walks, lighting	31,633,070	53,805,227	48,151,323
Public transport	20,056,950	29,460,935	26,465,288
Storm sewers and drainage	934,400	3,718,164	3,921,113
Water supply and distribution	20,171,862	41,205,462	67,796,299
Wastewater treatment and disposal	19,321,566	36,606,600	19,731,540
Waste management	15,486,605	15,947,981	16,357,047
Family and community support	10,292,686	10,648,221	16,335,404
Cemeteries and crematoriums	500,451	851,135	251,963
Land use planning, zoning and development	14,893,230	11,431,675	11,771,318
Public housing operations	23,777,467	33,068,050	33,392,076
Land, housing and building rentals	4,666,000	4,811,075	7,100,646
Recreation boards	40,000	40,777	38,090
Parks and recreation	65,793,325	84,310,172	96,725,018
Culture: libraries, museums, halls	6,037,538	5,800,355	5,878,964
	455,635,627	585,895,082	689,764,327
<b>Annual surplus before other</b>	359,219,518	320,232,804	246,857,742
<b>Other:</b>			
Contributions of tangible capital assets	-	6,167,889	29,866,617
Government transfers for capital (Note 17)	44,155,127	83,241,569	50,131,515
<b>Annual surplus</b>	403,374,645	409,642,262	326,855,874
<b>Accumulated surplus, beginning of year</b>	4,636,876,366	4,636,876,366	4,310,020,492
<b>Accumulated surplus, end of year</b>	\$5,040,251,011	\$ 5,046,518,628	\$ 4,636,876,366

See accompanying notes to consolidated financial statements.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Consolidated Statement of Change in Net Financial Assets**

For the Year Ended December 31, 2018

	<b>Budget</b>	<b>2018</b>	<b>2017</b>
	(Note 24)		(Restated - Note 27)
<b>Annual surplus</b>	\$ 403,374,645	\$ 409,642,262	\$ 326,855,874
Acquisition of tangible capital assets	(251,649,356)	(159,456,809)	(199,607,887)
Contributions of tangible capital assets	-	(6,167,889)	(29,866,617)
Transfer of tangible capital assets to inventory held for resale	-	-	760,468
(Gain) loss on disposal of tangible capital assets	-	(7,346,931)	2,214,400
Amortization of tangible capital assets	-	120,346,122	116,200,121
Proceeds on disposal of tangible capital assets	-	8,787,641	3,234,768
	151,725,289	365,804,396	219,791,127
Use (acquisition) of consumable inventories	-	1,720,604	(1,642,278)
Acquisition of prepaid expenses	-	(1,154,259)	(111,798)
	-	566,345	(1,754,076)
<b>Increase in net financial assets</b>	151,725,289	366,370,741	218,037,051
<b>Net financial assets, beginning of year</b>	454,848,437	454,848,437	236,811,386
<b>Net financial assets, end of year</b>	\$ 606,573,726	\$ 821,219,178	\$ 454,848,437

See accompanying notes to consolidated financial statements.



**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Consolidated Statement of Cash Flows**

For the Year Ended December 31, 2018

	2018	2017
		(Restated - Note 27)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Annual surplus	\$ 409,642,262	\$ 326,855,874
Non-cash items included in annual surplus		
Amortization of tangible capital assets	120,346,122	116,200,121
(Gain) loss on disposal of tangible capital assets	(7,346,931)	2,214,400
Contributions of tangible capital assets	(6,167,889)	(29,866,617)
Valuation loss on inventories held for resale	-	600,000
Valuation adjustment to mortgages and notes receivable	-	400,000
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	(2,898,519)	9,217,570
Trade and other receivables	(18,569,596)	19,928,167
Inventories held for resale	1,599,076	229,749
Consumable inventories	1,720,604	(1,642,278)
Prepaid expenses	(1,154,259)	(111,798)
Accounts payable and accrued liabilities	(25,807,236)	(64,204,337)
Deposit liabilities	213,648	746,327
Deferred revenue	(48,585,153)	1,504,112
Employee benefit obligations	149,959	1,198,822
Contaminated sites liability	1,187,126	(340,086)
Provision for landfill closure and post-closure costs	735,621	325,803
Cash provided by operating transactions	425,064,835	383,255,829
<b>Capital:</b>		
Proceeds on disposal of tangible capital assets	8,787,641	3,234,768
Acquisition of tangible capital assets	(159,456,809)	(199,607,887)
Cash applied to capital transactions	(150,669,168)	(196,373,119)
<b>Investing:</b>		
Decrease in mortgages and notes receivable	47,756	570,952
Decrease (increase) in restricted cash	19,324,158	(1,144,625)
Increase in investments	(187,235,984)	(612,548,158)
Cash applied to investing transactions	(167,864,070)	(613,121,831)
<b>Financing:</b>		
Long-term debt repaid	(39,999,567)	(21,126,360)
Cash applied to financing transactions	(39,999,567)	(21,126,360)
<b>Change in cash and cash equivalents during the year</b>	66,532,030	(447,365,481)
<b>Cash and cash equivalents, beginning of year</b>	46,196,530	493,562,011
<b>Cash and cash equivalents, end of year</b>	\$ 112,728,560	\$ 46,196,530

See accompanying notes to consolidated financial statements.

Attachment: 1. 2018 Consolidated Audit Financial Statements (2018 Audited Consolidated Financial Statements)

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

The Regional Municipality of Wood Buffalo (the Municipality) is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c.M-26, as amended (MGA).

### 1. Significant accounting policies

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Municipality are as follows:

#### (a) Reporting entity

##### (i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of entities whose operations and assets are under the control of the Municipality. In addition to general municipal tax supported operations, they include:

Regional Municipality of Wood Buffalo Library Board  
Wood Buffalo Housing & Development Corporation  
Regional Recreation Corporation of Wood Buffalo  
Wood Buffalo Economic Development Corporation

Interdepartmental and inter-organizational transactions and balances have been eliminated.

##### (ii) Other boards and commissions

The Municipality is a member of various other boards and commissions that are not included in the reporting entity.

##### (iii) Alberta School Foundation Fund and School Boards

The note for net taxes available for municipal purposes includes requisitions for the Alberta School Foundation Fund and School Boards that are not part of the reporting entity.

##### (iv) Trust funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements.

#### (b) Basis of accounting

The Municipality follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Property tax revenue is based on approved annual budget and requisition requirements. Property tax assessment is based on either the market value or regulated value legislated standard as prescribed in the MGA. The market value standard is based on the market value of properties as of July 1st of the preceding year. The regulated value standard is based on rates and procedures prescribed by Alberta Municipal Affairs. Assessments are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on assessment appeals outstanding as at December 31.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Municipality.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**1. Significant accounting policies (continued)***(b) Basis of accounting (continued)*

Local improvement levies represent funds from external parties that are restricted by legislation and are accounted for as deferred revenue until the special assessments are authorized by Council, issued to the property owners, and the funds are used for the purpose specified.

Government transfers and grants are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the Municipality, and reasonable estimates of the amounts can be made. Prior to that time, any amounts received, along with the restricted interest thereon, are recorded as deferred revenue.

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the recipients have met the eligibility criteria and the amount can be reasonably estimated. The majority of transfers made by the Municipality are in the form of grants or operating subsidies.

Revenues for the provision of goods or services are recognized in the period in which the goods are provided, or the services are rendered. Revenues from sponsorships are recognized over the terms of the sponsorship agreements. Rental income is recognized as revenue in the relevant tenancy period. Revenues from land and building sales related to inventories held for resale are recognized when title transfers and all of the rights and responsibilities of ownership have transferred, the price to the buyer is determinable and collection is reasonably assured. Amounts received under rights holder agreements have been deferred and are recognized as revenue on a straight-line basis over the 25-year life of the agreements.

Returns on investments are recorded as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Deferred revenue represents amounts received from third parties for a specified operating or capital purpose. These amounts are recognized as revenue in the period when the related expenses are incurred.

Expenses are recognized as they are incurred and are measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

*(c) Cash and cash equivalents*

Cash includes cash on hand and balances with banks, net of overdrafts.

Cash equivalents consist of bank deposits and short-term investments with original term to maturity of three months or less.

*(d) Excess collections and under-levies*

Excess collections and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is recorded as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is recorded as a receivable and property tax revenue is increased.

Mill-rates in a subsequent year are adjusted for any excess collections or under-levies of the prior year.

*(e) Inventories held for resale*

Property and other inventories are recorded at the lower of cost and net realizable value. Property inventory held under equity and affordability programs which have been sold, but where revenue recognition criteria have not been met, are recorded at the lower of cost and net realizable value.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (f) Investments

Portfolio investments are recorded at amortized cost. Investment premiums and discounts are amortized on a net present value basis over the term of the respective investments. When there is a significant impairment, other than a temporary decline, the respective investment is written down to recognize the loss.

#### (g) Mortgages and notes receivable

Mortgages and notes receivable are carried at amortized cost using the effective interest method. The effective interest rate is determined to be the Wood Buffalo Housing and Development Corporation's weighted average cost of borrowing at the time the agreement is executed. The discount recorded on the mortgages and notes receivable is amortized each year to interest income. Mortgages and notes receivable are reviewed annually to ensure the amount recoverable is not less than the amortized cost. If this is found to be the case, a valuation allowance is used to adjust the recorded value to the recoverable amounts.

#### (h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible assets excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	5 to 45
Buildings and improvements	5 to 80
Engineered structures	10 to 120
Machinery and equipment	3 to 30
Vehicles	5 to 15

Annual amortization is charged at 50% in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Municipality's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital asset are less than their net book value.

#### (ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (iii) Tangible capital assets recognized at nominal values

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value.

#### (iv) Natural resources

Natural resources that have not been purchased are not recognized as tangible capital assets in these consolidated financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (h) *Non-financial assets (continued)*

##### (v) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as tangible capital assets in these consolidated financial statements. Any acquisition costs are expensed in the year they are acquired.

##### (vi) Capitalization of costs

The Municipality does not capitalize interest costs associated with the acquisition or construction of tangible capital assets. General and administrative indirect overhead expenses are not allocated and capitalized.

##### (vii) Leases

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

##### (viii) Consumable inventories

Consumable inventories are recorded at the lower of cost and replacement cost.

#### (i) *Contaminated sites liability*

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the costs attributable to remediation activities including any required post-remediation operations, maintenance and monitoring.

#### (j) *Landfill closure and post-closure obligation*

The *Alberta Environmental Protection and Enhancement Act* and the *Code of Practice for Landfill Operations in Alberta*, set out the regulatory requirements to properly close and maintain all landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The estimated costs relating to this requirement are being accrued over the estimated remaining life of the landfill site based on usage.

The reported obligation may be affected by changes and factors such as the estimated total expenditures, regulatory requirements, inflation, and interest rates. Due to the inherent uncertainty involved in making such estimates and assumptions, actual costs reported in future periods could differ from those estimates.

#### (k) *Employee future benefits*

The costs of multi-employer defined benefit pension plan benefits such as Local Authorities Pension Plan (LAPP) and APEX pension plans are the employer's contributions to the plan in the period. Health and dental benefits are provided on an administrative service only basis. The Municipality is responsible for the employer share of benefit premiums throughout the year.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (l) *Use of estimates*

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period.

Actual results could differ from those estimates.

Management has used estimates to determine employee benefit obligations, landfill closure and post closure costs, contaminated sites liability, accrued liabilities, provisions for tax assessment appeals, tangible capital asset useful lives, provision for investment impairment, provisions made for allowances for taxes and other receivables, inventories, as well as wildfire related trade and other receivables.

#### (m) *Adoption of new accounting standards*

The following summarizes changes to Canadian public sector accounting standards issued by the Public Sector Accounting Standards Board (PSAB) that have been adopted by the Municipality during the current fiscal year.

##### (i) Assets

PS3210 Assets provides additional guidance on the definition of assets and new disclosure requirements for those assets not recognized in the government's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the consolidated financial statements.

##### (ii) Contingent Assets

PS3320 Contingent Assets establishes standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the consolidated financial statements.

##### (iii) Contractual Rights

PS3380 Contractual Rights establishes standards on the reporting and disclosure of a government's rights to economic resources that may arise from contracts or agreements that will result in both an asset and revenue in the future. This standard is applicable for fiscal years beginning on or after April 1, 2017. The Municipality adopted this new standard in fiscal 2018 and additional disclosures have been added where required.

##### (iv) Inter-Entity Transactions

PS3420 Inter-Entity Transactions specifically addresses the reporting of transactions between entities controlled by a government and that comprise the government's reporting entity from both a provider and recipient perspective. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the consolidated financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (m) Adoption of new accounting standards (continued)

##### (v) Related Party Disclosures

PS2200 Related Party Disclosures required sufficient information be disclosed about the terms and conditions on which transactions between related parties are conducted and the relationship underlying them. The disclosure provides information necessary to assess the effect that the related party relationships have had, or, if not recognized, may have had on the entity's financial position and financial performance. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the consolidated financial statements.

#### (n) Recent Accounting Standard Pronouncements

The following summarizes upcoming changes to the Canadian public sector accounting standards issued by the PSAB. The Municipality will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in the Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

##### (i) Restructuring Transactions

PS3430 Restructuring Transactions establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2018.

##### (ii) Financial Statement Presentation

PS1201 Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising for the re-measurement of financial instruments and items denominated in foreign currencies as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2019.

##### (iii) Foreign Currency Translation

PSAB issued PS2601 Foreign Currency Translation, replacing the current PS2600 applicable for fiscal years beginning on or after April 1, 2019. This standard requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

##### (iv) Financial Instruments

PS3450 Financial Instruments applicable for fiscal years beginning on or after April 1, 2019 establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments, all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (n) Recent Accounting Standard Pronouncements (continued)

##### (v) Portfolio Investments

Section PS3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS3450 and now includes pooled investments in its scope. Upon adoption of PS3450 and PS3041 Temporary Investments PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2019.

##### (vi) Asset Retirement Obligations

PS3280 establishes standards on how to account for and report a liability for asset retirement obligations. Specifically, it defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements. This standard applies to fiscal years beginning on or after April 1, 2021.

### 2. Restricted cash

Restricted cash is comprised of various tenant deposits and reserves required under funding agreements related to the delivery of affordable housing programs amounting to \$15,004,737 (2017 - \$13,758,576) and \$nil (2017 - \$801,100) for insurance proceeds received, but not yet used to pay approved claim amounts. Proceeds from the Province of Alberta related to the Hawthorne Heights project of \$nil (2017 - \$19,769,219) were to be used for future affordable housing. During the year, the Municipality received approval from the Province of Alberta to use the Hawthorne Heights project restricted funding to pay down related long-term debt.

Under the terms of the mortgage agreements related to affordable housing operations, the Municipality deposits 4% of the gross income of the related properties into the restricted replacement reserves account. This amount is reserved for major capital repairs. Withdrawals require prior approval by the lender following submission of paid invoices for approved major capital repairs.

### 3. Taxes and grants in lieu receivable

	2018	2017
Current	\$ 7,206,128	\$ 15,127,670
Arrears**	13,306,157	9,545,947
	20,512,285	24,673,617
Less allowance for doubtful accounts	10,390,274	17,450,125
	\$10,122,011	\$ 7,223,492

\*\* levies which were imposed one year or longer prior to year end



**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**4. Trade and other receivables**

	2018	2017
Government transfers	\$44,449,958	\$ 19,182,059
GST recoverable	1,664,023	2,902,880
Utility receivables	5,415,301	5,538,294
Developer charges	2,200,000	2,862,262
Trade receivables - net	19,826,213	24,500,404
	<u>\$ 73,555,495</u>	<u>\$ 54,985,899</u>

**5. Inventories held for resale**

	2018	2017
Inventories held for resale	\$ 265,563	\$ 308,131
Property inventory held under equity and affordability programs	1,325,242	2,881,750
	<u>\$ 1,590,805</u>	<u>\$ 3,189,881</u>

The Municipality holds property inventory for sale under its equity and affordability programs. There has been a decline in the value of real estate in the region as a result of unfavorable economic conditions. During the year, the Municipality recorded a valuation loss of \$nil (2017 - \$600,000) related to this inventory to adjust its value to the expected net realizable value.

**6. Investments**

	2018		2017	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Cash	\$ 1,775,430	\$ 1,775,430	\$ 49,106,359	\$ 49,106,359
Bankers acceptances, notes and bonds	2,743,569	2,747,482	3,001,012	2,997,083
Government bonds, government guaranteed bonds and guaranteed investment certificates	837,161,107	839,284,028	682,319,765	681,337,486
Corporate bonds and debentures	301,989,159	296,325,040	169,029,875	167,640,766
Mutual funds	-	-	59,761,395	60,125,862
Accrued interest	9,495,483	9,495,483	2,710,358	2,710,358
	<u>\$ 1,153,164,748</u>	<u>\$ 1,149,627,463</u>	<u>\$ 965,928,764</u>	<u>\$ 963,917,914</u>

Bankers acceptances, notes and bonds, bearing interest rates from 1.63% to 1.69% (2017 - 1.06% to 1.89%)

Government bonds, government guaranteed bonds and guaranteed investment certificates, bearing interest at stated interest rates from 0.75% to 5.60% (2017 - 1.01% to 10.60%).

Corporate bonds and debentures, bearing interest at stated interest rates from 1.40% to 4.937% (2017 - 0.95% to 9.97%).

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**6. Investments (continued)**

The market value of certain investments fluctuates with changing market interest rates. The carrying value of certain investments have not been written down to market value because management has concluded, based on a review of market information for these investments, there is no obvious indication of significant impairment that is other than temporary. As a result, no write down has occurred in 2018 and 2017.

**7. Mortgages and notes receivable**

	2018	2017
Housing affordability loans, bearing interest at rates ranging from 0% to 6% per annum, compounded semi-annually, payable in monthly instalments of interest only, repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees.	\$ 2,642,515	\$ 2,655,184
Home equity loans which are non-interest bearing, without monthly repayment terms, with principal repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees.	2,193,099	2,183,441
Demand promissory notes receivable and second mortgages receivable bearing interest at 6% per annum and non-interest bearing respectively, with monthly repayment terms representing a 25 year amortization period, secured by land and buildings.	273,026	272,896
Employee loan, bearing interest at 2% per annum, compounded semi-annually, payable in bi-weekly instalments of principal and interest, secured by an employee loan agreement.	-	3,701
A net investment in a long-term lease arrangement.	1,868,001	1,909,175
	<b>\$ 6,976,641</b>	<b>\$ 7,024,397</b>

The Municipality annually reviews the current market conditions in the region to determine if the market value of real estate has declined significantly, affecting the required repayment on loans receivable should a sale occur. If the net book value of loans receivable is no longer representative of the net recoverable value after an analysis of the portfolio, an adjustment will be made. During the year, the Municipality recorded a valuation loss related to its mortgage's receivable of \$nil (\$2017 - \$400,000).

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 8. Deferred revenue

Deferred revenue is comprised of the funds noted below, the use of which is externally restricted. These funds are recognized as revenue in the period they are used for the purpose specified. Certain deferred revenues relate to government transfers as further described in Note 17.

	2017	Externally restricted inflows (outflows)	Revenue (recognized) reallocated	2018
<u>Government transfers</u>				
Operating:				
Community Housing Plan (a)	\$ 3,204,622	\$ 3,451,000	\$ (4,817,634)	\$ 1,837,988
Children and Youth Services Grant (b)	84,230	(73,238)	(10,992)	-
Rent Supplement Program (c)	1,201,523	4,694,223	(4,670,687)	1,225,059
Marshall House Grant	71,354	-	-	71,354
Sustainable Remote Housing Grant	81,720	-	(10,080)	71,640
Emergency Services Grants (d)	20,722	500,640	(26,498)	494,864
RCMP Grants (e)	405,896	1,365,216	(1,429,808)	341,304
Community and Regional Economic Support Grant (f)	-	95,000	-	95,000
FireSmart Grant (g)	-	6,000,000	(1,278,767)	4,721,233
Victims of Crime Grant (h)	-	261,962	(251,331)	10,631
Community Inclusion Grant	-	10,000	(7,378)	2,622
Coalitions Creating Equity Grant	-	61,500	(36,552)	24,948
Labour Market Partnership Grant	-	51,000	-	51,000
Other Grants (i)	980,289	2,166,053	(2,369,138)	777,204
	6,050,356	18,583,356	(14,908,865)	9,724,847
Capital:				
Community Development Plan (j)	10,519,997	-	(1,610)	10,518,387
Municipal Sustainability Initiative Grant (k)	29,277,277	40,855,558	(56,423,262)	13,709,573
Federal Gas Tax Fund Grant (l)	2,805,119	6,372,321	(2,699,450)	6,477,990
Alberta Affordable Housing Initiative (m)	20,553,664	17,923	(19,769,219)	802,368
Alberta Seniors and Housing (n)	650,035	-	(650,035)	-
911 Grant (o)	316,168	3,356	(16,224)	303,300
Alberta Municipal Water and Wastewater Grant (p)	1,000,000	2,756,092	(3,756,092)	-
South Policing Facility Grant (q)	1,202,256	-	(8,410)	1,193,846
FireSmart Grant - Emergency Response Systems (r)	-	1,006,440	(373,100)	633,340
Strategic Transportation Infrastructure Program Grant (s)	-	461,949	(67,838)	394,111
	66,324,516	51,473,639	(83,765,240)	34,032,915
	72,374,872	70,056,995	(98,674,105)	43,757,762
<u>Other</u>				
Corporate Donations and Naming Rights	95,238	-	(95,238)	-
Rights Holder Agreements (t)	1,184,000	-	(84,800)	1,099,200
RCMP Agreements	10,240	-	(10,240)	-
Deferred Property Taxes	24,056,237	25,183,426	(24,056,237)	25,183,426
Deferred Offsite Levies and Developer Charges (u)	25,551,004	811,365	(21,017,127)	5,345,242
Deferred Developer Agreements (v)	3,285,398	35,000	-	3,320,398
Canadian Red Cross Recovery Gift Agreement (w)	4,001,716	-	(3,003,901)	997,815
Canadian Red Cross - Disaster Response Service Agreement (x)	-	496,236	(70,399)	425,837
Insurance Proceeds - Wildfire Event (y)	4,083,554	9,531,000	(12,930,495)	684,059
Lifetime golf and fitness memberships	528,777	2,705,492	(2,379,761)	854,508
Other	4,516,482	8,621,515	(3,703,879)	9,434,118
	67,312,646	47,384,034	(67,352,077)	47,344,603
	\$ 139,687,518	\$ 117,441,029	\$ (166,026,182)	\$ 91,102,365

Attachment: 1. 2018 Consolidated Audit Financial Statements (2018 Audited Consolidated Financial Statements)

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 8. Deferred revenue (continued)

#### Operating government transfers

##### (a) *Community Housing Plan*

The Community Housing Plan is an arrangement where money is received from both the Province of Alberta and the Government of Canada to assist homeless individuals to obtain housing and provide support services through funding provided to a number of not-for-profit organizations. Accruals are set up at the end of each year to record the deferred revenue from the Province of Alberta and record the trade and other receivable from the Government of Canada.

##### (b) *Children and Youth Services Grant*

The Province of Alberta, through the Minister of Human Services, provided the Children and Youth Services Grant to provide youth advocacy services in the community. In 2018, the Municipality refunded \$73,238 (2017 - \$nil).

##### (c) *Rent Supplement Program*

The Rent Supplement Program grant is an arrangement where money is received from the Province of Alberta to provide housing assistance for individuals and families residing or needing to reside in the Regional Municipality of Wood Buffalo. The Municipality makes claims for qualified individuals or families, receives the funds and pays them out to qualified individuals on a monthly basis. During 2018, the Municipality received grant funding of \$4,694,223 (2017 - \$4,711,448) and allocated interest on the unspent grant in the amount of \$nil (2017 - \$12,770).

##### (d) *Emergency Services Grants*

The Municipality received four grants from the Province of Alberta related to the provision of emergency services within the Municipality. Alberta Emergency Management Agency provides, through Alberta Municipal Affairs, the 911 grant, and the Fire Services and Emergency Preparedness grant and Alberta Agriculture and Forestry provides the FireSmart Community grant. The 911 grant supports and enhances the delivery and development of local 911 services throughout Alberta. The Fire Services and Emergency Preparedness grant provides an effective and cost-efficient mechanism for increased training capacity that results in an increased number of trained fire service and emergency management practitioners. The FireSmart Community grant assists communities in reducing the risk of wildfire within their respective jurisdictions. During 2018, the Municipality received \$500,640 (2017 - \$505,945).

##### (e) *Royal Canadian Mounted Police (RCMP) Grants*

The Province of Alberta provides two RCMP grants through the Alberta Solicitor General and Minister of Public Security - the Police Officers Grant (POG) and the Municipal Policing Assistance Grant (MPAG). POG provides assistance to Municipalities to promote the hiring of new police officers throughout the province. MPAG helps communities to meet the costs of their policing services. During 2018, the Municipality received \$1,365,216 (2017 - \$1,623,584).

##### (f) *Community and Regional Economic Support (CARES) Grant*

The Province of Alberta through the Minister of Economic Development and Trade provides the CARES grant to fund initiatives of Alberta Municipalities that enhance local economic conditions, leverage regional economic development resources, and build local and regional capacity for sustainable economic development delivery. During 2018 the Municipality received \$95,000 (2017 - \$nil).

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 8. Deferred revenue (continued)

#### Operating government transfers (continued)

##### *(g) FireSmart Grant*

The Province of Alberta, through the Minister of Agriculture and Forestry, provides the FireSmart operating grant to fund initiatives that reduce the wildfire risk and/or hazard to the community by emergency planning, education and vegetation management. During 2018, the Municipality received and recognized as operating government transfers \$6,000,000 (2017 - \$nil).

##### *(h) Victims of Crime Grant*

- (i) The Province of Alberta, through Alberta Justice and Solicitor General, provides the Victims of Crime grant which funds services that benefit victims during their involvement with the criminal justice process. During 2018, the Municipality received and recognized as operating government transfers \$261,962 (2017 - \$nil).

##### *(i) Other operating grants include various smaller federal and provincial governments grants including:*

##### *(i) Emergency Transitional Shelter Initiative*

The Municipality entered into an agreement with the Province of Alberta through the Emergency Transitional Shelter Initiative to undertake or support projects which provide emergency, short-term, and/or long-term supportive housing and deliver services to alleviate the problem of homelessness in Alberta. During 2018, the Municipality received grant funding of \$1,550,603 (2017 - \$1,515,290) and recognized \$1,491,122 (2017 - \$1,618,016) as operating government transfers. Deferred revenue of \$479,065 (2017 - \$419,584) is recorded.

#### Capital government transfers

##### *(j) Community Development Plan*

In 2009, the Municipality entered into an agreement with the Province of Alberta to service the development of Crown Lands known as Parsons Creek and Saline Creek Plateau. To facilitate this servicing, for residential and other purposes, a grant totaling \$242,380,000 was provided by the Province. During 2018, the Municipality reallocated \$1,610 of grant funds and allocated interest on the unspent grant in the amount of \$nil (2017 - \$131,527).

##### *(k) Municipal Sustainability Initiative Grant*

In 2007, the Province of Alberta introduced the Municipal Sustainability Initiative program to assist municipalities with managing growth pressures, provide sustainable funding and support infrastructure needs. Based on a pre-established formula and budget availability, the Municipality will receive an annual grant allocation. In 2018, the Municipality received \$40,516,420 (2017 - \$31,183,480) and allocated interest on the unspent grant in the amount of \$339,138 (2017 - \$302,543).

##### *(l) Federal Gas Tax Fund Grant*

The Federal Gas Tax Fund Grant (formerly New Deal for Cities and Communities Grant) assists municipalities in addressing their sustainable municipal capital infrastructure needs. Funding is received through the allocation of the federal gasoline tax to Alberta municipalities. This grant program is extended to 2024. In 2018, the Municipality received \$6,324,684 (2017 - \$6,762,860) and allocated interest on the unspent grant in the amount of \$47,637 (2017 - \$26,678).

##### *(m) Alberta Affordable Housing Initiative*

The Province of Alberta provides grants to support the development and supply of affordable housing in Hawthorne Heights and Parsons Creek. During 2018, the Municipality allocated interest on the unspent grants in the amount of \$17,923 (2017 - \$252,656).

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 8. Deferred revenue (continued)

#### Capital government transfers (continued)

##### (n) *Alberta Seniors and Housing Grant*

The Province of Alberta provided funding for basement redevelopment to provide additional living space for large families in 15 townhomes owned by the Municipality. During 2018, the Municipality received grant funding of \$nil (2017 - \$650,035).

##### (o) *911 Grant*

Alberta's Emergency 911 Act came into force on April 1, 2014. The Act established the Alberta 911 Grant Program under the Alberta Emergency Management Agency. The objective of the 911 Grant Program is to strengthen and support local delivery of 911. This will be done through delivering a new source of funding generated from a monthly 911 levy on cellphones, and by developing provincial standards for 911. In 2018, the Municipality allocated interest on the unspent grant in the amount of \$3,356 (2017 - \$3,529).

##### (p) *Alberta Municipal Water and Wastewater Grant*

The Alberta Municipal Water/Wastewater Partnership provides cost-shared funding to eligible municipalities to assist in the construction of municipal water supply and treatment and wastewater treatment and disposal facilities. In 2018, the Municipality received \$2,756,092 (2017 - \$17,000,000) for upgrades to the Fort Chipewyan Water Treatment Plant.

##### (q) *South Policing Facility Grant*

Alberta Infrastructure provided funding in 2011 as a contribution towards the costs of the construction and development of a new Wood Buffalo South Policing Facility. In 2018, the Municipality reallocated the unused grant revenue of \$nil (2017 - \$1,202,256).

##### (r) *FireSmart Grant – Emergency Communications Systems*

The Province of Alberta, through the Minister of Agriculture and Forestry, provides the FireSmart capital grant to fund initiatives that reduce the wildfire risk and/or hazard to the community by emergency planning, education and vegetation management. The Municipality is using a portion of this grant to fund the migration of existing emergency communication systems to Alberta First Responders Radio Communication System (AFRRCS) to align with communication systems used by the Province of Alberta. In 2018, the Municipality received \$1,000,000 (2017 - \$nil) and allocated interest on the unspent grant in the amount of \$6,440 (2017 - \$nil).

##### (s) *Strategic Transportation Infrastructure Program Grant*

The Strategic Transportation Infrastructure Program grant provides financial assistance to rural and smaller urban municipalities for developing and maintaining key transportation infrastructure. The Municipality applied under the Local Road Bridge component for the Fort Chipewyan Winter Road Culvert project. In 2018, the Municipality received \$460,000 (2017 - \$nil) and allocated interest on the unspent grant in the amount of \$1,949 (2017 - \$nil).

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**8. Deferred revenue (continued)**Other*(t) Rights Holder Agreements*

From 2006 to 2009, contributions totaling \$2,120,000 were received from entities within the Municipality in exchange for rights holder agreements for certain vacant units in apartment projects owned by the Municipality for a period of 25 years. The Municipality has the sole right to accept or reject the proposed tenants based on the Municipality's pre-established criteria. The rights holder has first right of refusal to certain vacant units and if there is no proposed or accepted tenant, the rights holder can lease the unit for a one-year term so that the unit remains available for a future referred tenant, subject to acceptance by the Municipality's acceptance criteria. If there is no proposed or accepted tenant, and the rights holder does not exercise its option to lease the unit, then the Municipality can lease the unit to another tenant for a one-year lease. The rights holder can assign or sell their rights under the agreements and have the right to both terminate the agreements and have the right of first refusal to renew the agreements after 25 years under the new terms and conditions. The agreements do not convey any interest in land and buildings to the rights holders and regular monthly rental payments are required under any unit rented.

*(u) Deferred Offsite Levies and Developer Charges*

The Municipality collects offsite levies and developer charges from property developers prior to new development commencing within the municipality. During 2018, the Municipality received \$525,375 (2017 - \$833,495) in levies and charges and allocated interest on the unspent levies and charges of \$285,990 (2017 - \$261,520).

*(v) Deferred Developer Agreements*

The Municipality entered agreements to perform work on behalf of developers and received payments in lieu of municipal reserve lands.

*(w) Canadian Red Cross Society – Recovery Gift Agreement*

The Canadian Red Cross Society provided funding under a Recovery Gift Agreement to facilitate the provision of relief and recovery work in the region following the Alberta wildfires of 2016. During 2018 the Municipality received \$nil (2017 - \$5,000,000).

*(x) Canadian Red Cross Society – Disaster Response Service Agreement*

In 2018, the RMWB entered into a Disaster Response Service Agreement with the Canadian Red Cross Society for support the Small Business Program (Phase 3B) providing programming for small businesses impacted by the May 2016 Horse River Wildfire disaster in the Municipality. The total contribution under the agreement will be \$992,472. During 2018 the Municipality received \$496,236 (2017 - \$nil).

*(y) Insurance Proceeds – Wildfire Event*

In 2018, the Municipality negotiated with its insurance providers to finalize the insurance settlement. During 2018 the Municipality received \$9,531,000 (2017 - \$nil).



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 9. Employee benefit obligations

	2018	2017
Accrued vacation pay and overtime bank	\$ 6,924,470	\$ 6,789,539
Accrued salary and benefits	11,426,845	11,411,817
	\$ 18,351,315	\$ 18,201,356

#### (a) Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to those benefits within the next budgetary year.

#### (b) Local Authorities Pension Plan

Employees of the Municipality participate in the LAPP, which is covered by the Alberta Public Sector Pension Plans Act.

The Municipality is required to make current service contributions to the LAPP of 10.39% (2017 - 11.39%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 14.84% (2017 - 15.84%) for the excess. Employees of the Municipality are required to make current service contributions of 9.39% (2017 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 13.84% (2017 - 14.84%) on pensionable salary above this amount. Contributions for current service are recorded as expenditures in the year in which they become due.

Total current service contributions by the Municipality to the LAPP in 2018 are \$17,543,952 (2017 - \$19,641,732). Total current service contributions by the employees of the Municipality to the LAPP in 2018 are \$16,143,539 (2017 - \$18,151,037).

The LAPP reported a surplus for the overall plan as at December 31, 2017 of \$4,835,515,000 (2016 - \$637,357,000 deficiency). Information as at December 31, 2018 is not available at the time of preparing these consolidated financial statements.

#### (c) APEX Supplementary Pension Plan

The APEX Supplementary Pension Plan (APEX), an Alberta Urban Municipalities Association sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees with approximately 180 (2017 - 211) beneficiaries. The plan supplements the LAPP.

Contributions are made by the prescribed class of employees and the Municipality. Employees and the Municipality are required to make current service contributions to APEX of 2.84% and 3.78% respectively on pensionable earnings up to \$147,222 (2017 - \$145,722) per employee per year.

Total current service contributions by the Municipality to APEX in 2018 were \$753,716 (2017 - \$844,489). Total current service contributions by the employees of the Municipality were \$566,214 (2017 - \$634,470).

The cost of post-retirement benefits earned by employees is determined by actuarial valuation using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation, and retirement age of employees. The cost of post-retirement benefits is fully funded.



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 9. Employee benefit obligations (continued)

#### (d) Other employee benefit plans

The Municipality fully funds all benefits with the exception of long-term disability and benefits that are paid by employees as outlined in the Canadian Union of Public Employees and International Association of Fire Fighters contracts. The Municipality's contributions are expensed to the extent that they do not relate to discretionary reserves. The Municipality accrues its obligations for employee non-pension future benefits.

The Municipality sponsors certain employee registered and non-registered retirement plans, which are funded through employee and/or employer contributions.

#### (e) Employee housing initiative - designated housing units

On February 14, 2006, a designated housing unit program was established by the Municipality. Under this program, a specified number of rental units (18) are provided for exclusive use by employees of the Municipality to assist with transitional housing needs.

The program is for new employees requiring transitional housing, or in unique cases, for an existing employee where affordable housing cannot be secured by the employee within the Municipality. The designated rental units are allocated as per the qualifying income of the employees as determined by the Municipality. Units are allocated based on merit and employees enter into short term lease agreements for the rental of the designated rental units at an agreed upon monthly rental cost. The employee is responsible for the monthly rental cost and any required damage deposit.

#### (f) Employee housing initiative - home equity protection program

On February 14, 2006, a home equity protection program was established by the Municipality. Under this program, any employee approved for participation in the program will be compensated by the Municipality in an amount equal to any loss in value of the employee's principal residence between the date of the employee's approval for participation in the program and the date of sale of the principal residence by the employee. Existing employees of the Municipality were eligible to join the program until June 30, 2007. After June 30, 2007, only new employees of the Municipality are eligible to join. The program is discontinued and has not accepted new participants since November 30, 2013.

Employees who are approved for participation in the program become eligible for payment under the program after the employee has completed three years of uninterrupted permanent employment with the Municipality. If an employee ceases to be an employee of the Municipality within the three-year period or if an employee is not in continuous occupancy of their principal residence, they are not eligible for payment under the program.

As at December 31, 2018, \$1,501,200 (2017 - \$3,246,100) is accrued within these consolidated financial statements relating to this program. During 2018, the Municipality paid out \$5,851,750 (2017 - \$3,274,444) for this program. There are 255 (2017 - 297) employees eligible, approved and participating in the program with an aggregate secured property value of \$154,368,625 (2017 - \$180,239,425) based on assessed values.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 9. Employee benefit obligations (continued)

#### (g) MuniSERP - supplemental retirement program

MuniSERP is an accrued benefit obligation for certain groups of employees; the future benefit plan commenced in 2012. An actuarial valuation for this plan was completed by the Alberta Municipal Services Corporation's actuaries as at December 31, 2018.

MuniSERP is a supplementary retirement program that cannot be prefunded.

This is a municipal contributed plan for a certain group of employees. MuniSERP is managed through Alberta Municipal Services Corporation.

This program provides benefits in excess of those allowed under the registered pension plans - LAPP and APEX Supplementary Pension Plans. This program is not a registered pension plan and thus is not subject to pension regulation.

The following presents the MuniSERP net assets as at December 31<sup>st</sup>:

	2018	2017
Accrued benefit obligation		
Balance, beginning of year	\$ 916,394	\$ 914,350
Current service and interest (recovery) cost	(107,460)	2,044
Payments not yet processed	-	-
Balance, end of year	808,934	916,394
Assets held to fund liability	683,654	983,955
Net assets	\$ 125,280	\$ (67,561)

The significant actuarial assumptions measuring the Municipality's accrued benefit obligation are:

	2018	2017
Inflation	2.25%	2.25%
Wages and salaries escalations	3.50%	3.50%
Interest (discount rate on accrued benefit obligations)	4.75%	4.75%
Average municipal service (years)	2.3	2.9

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**10. Contaminated sites liability**

The Municipality recorded a contaminated sites liability for 2018 of \$1,839,866 (2017 - \$652,740) which represents the present value of reclamation costs to the Municipality, using annual rates of 1.70% (2017 – 2.00%) for inflation and discount rates of 3.34% (2017 – 3.00%) for remediation costs and 2.13% (2017 – 2.22%) for any related pre-remediation or monitoring costs. The following represents the contaminated sites liability breakdown by site at December 31st:

	2018	2017
Sites:		
Conklin - former airstrip	\$ 480,620	\$ 491,079
Conklin - former storage site	101,211	103,482
Fort Chipewyan - historic unofficial landfill	57,909	58,179
Fort McMurray - former tow yard	1,200,126	-
Net present value of estimated expenditures	\$ 1,839,866	\$ 652,740

Contaminants that exceed environmental standards were present in the soil and/or groundwater due to the historic usage of the sites and/or to items remaining on the sites today. The undiscounted estimated expenditures for these sites are \$1,926,962 (2017 - \$747,962) and there are no expected recoveries available from other sources.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**11. Landfill closure and post-closure obligation**

The obligation recorded at December 31, 2018 for the landfill closure was \$13,974,378 (2017 - \$13,238,757) and represents the present value of closure and post-closure costs of the Municipality landfill sites, using annual rates of 1.70% (2017 – 1.30%) for inflation and discount rates of 2.13% (2017 – 3.29%) for post-closure and 3.34% (2017 – 2.23%) for closure.

Post-closure activities are expected to occur for 25 years and will involve surface and ground water monitoring, landfill cover maintenance and erosion management as per Alberta Environment standards.

At the end of 2018 there are six closed landfill sites within the Regional Municipality of Wood Buffalo.

The new Fort McMurray Regional landfill and the Fort Chipewyan landfill are the only open landfill sites within the Municipality. The remaining capacity is expected to meet regional demands until the end of 2021. In 2018, Cell 4 was fully constructed and is available as additional capacity up until cells 1, 2, 3 and the lateral expansion are closed, at which point, cell 4 will be in full operation, and the only active cell.

<b>2018</b>				
<b>Capacity utilization</b>	<b>Total Cells</b>	<b>Cells Used</b>	<b>% Used</b>	<b>Estimated remaining life in years</b>
Fort McMurray - regional landfill	4	2.2	55%	8
Fort Chipewyan - new site	1	0.4	38%	9

The following summarizes the total net present value of the estimated costs of closure and post-closure care for the two operational landfill sites and the six closed landfill sites within the Regional Municipality of Wood Buffalo:

	<b>2018</b>	<b>2017</b>
Estimated closure costs	\$19,654,487	\$ 19,325,946
Estimated post-closure costs	408,244	226,157
Estimated total liability (100% utilized)	20,062,731	19,552,103
Accrued liability portion (current utilization)	13,974,378	13,238,757
Portion of liability remaining to be recognized	\$ 6,088,353	\$ 6,313,346

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 12. Long-term debt

	2018	2017
Municipal debt:		
Debentures supported by general tax levies (a)	\$ 162,686,383	\$ 170,145,395
Debentures supported by utility rates (a)	102,735,023	112,576,947
	265,421,406	282,722,342
Controlled organizations debt:		
Long-term debt (b)	79,915,193	102,613,824
	79,915,193	102,613,824
	\$ 345,336,599	\$ 385,336,166

#### *Municipal debt*

##### *a) Debentures supported by general tax levies and utility rates*

The payments on principal and interest for debentures supported by general tax levies and utility rates for the next five years and thereafter are as follows:

	Principal	Interest	Total
2019	\$ 17,527,806	\$ 11,930,029	\$ 29,457,835
2020	17,890,273	11,116,261	29,006,534
2021	16,568,799	10,311,916	26,880,715
2022	17,192,178	9,540,620	26,732,798
2023	17,911,075	8,741,383	26,652,458
Thereafter	178,331,275	41,491,756	219,823,031
	\$ 265,421,406	\$ 93,131,965	\$ 358,553,371

Interest on long-term debt in 2018 amounted to \$12,639,738 (2017 - \$13,431,331).

The debenture debt above is repayable to Alberta Capital Finance Authority, has interest rates ranging from 1.78% to 9.75% per annum, and matures in years 2019 through 2036 with a weighted average interest rate of 4.61%.

Debenture debt is issued on the credit and security of the Municipality.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

**12. Long-term debt (continued)***Controlled organizations debt**(b) Long-term debt*

Long-term debt is comprised of commercial mortgages with weighted average interest rate of 3.1%, (2017 - 3.3%) payments of \$507,052 per month including principal and interest, maturities from 2020 to 2028, with land and buildings pledged as collateral with a carrying value of \$197,032,570 (2017 - \$234,632,944).

Contractual principal repayments of long-term debt for the next 5 years and thereafter are as follows:

	Principal Payments	Interest Payments	Total Payments	Principal Balance Maturing
2019	\$ 3,627,580	\$ 2,316,917	\$ 5,944,497	\$ -
2020	3,744,042	2,351,835	6,095,877	16,214,176
2021	3,863,254	2,232,693	6,095,947	-
2022	3,986,315	2,109,631	6,095,946	9,128,916
2023	8,976,958	1,667,966	10,644,924	12,935,434
Thereafter	55,717,044	10,390,705	66,107,749	20,203,208
	\$ 79,915,193	\$ 21,069,747	\$ 100,984,940	\$ 58,481,734

Interest on long-term debt in 2018 amounted to \$3,859,344 (2017 - \$3,564,037).

During the year, the Municipality used \$19,600,000 (2017 - \$nil) of deferred grant funding to pay down long-term debt with the approval of the Province of Alberta.

The long-term debt is also collateralized by tangible capital assets and a general assignment of rents, leases and sales proceeds, deposits and all other payments on the housing projects.

Principal payments assume refinancing at consistent rates and terms as the current mortgage. Principal balances maturing would either be refinanced or paid in full at the date of maturity and are included in principal payments due to 2024 and thereafter.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 13. Debt and debt service limits

Section 276(2) of the Municipal Government Act requires that debt, maximum allowable debt and debt service limits as defined by Alberta Regulation 255/2000 (the Regulation) for the Municipality be disclosed as follows:

#### **Debt limit**

	2018	2017
Maximum allowable debt	\$ 1,731,027,690	\$ 1,774,882,110
Total municipal debt	265,421,406	282,722,342
Amount of total debt limit available	\$ 1,465,606,284	\$ 1,492,159,768
Percentage used	15.33%	15.93%

#### **Debt service limit**

	2018	2017
Maximum allowable debt service	\$ 302,929,846	\$ 310,604,369
Annual payments on existing municipal debt	29,457,835	30,038,241
Amount of service on debt limit available	\$ 273,472,011	\$ 280,566,128
Percentage used	9.72%	9.67%

The debt limit is calculated at 2.0 times revenue of the Municipality (as defined in the Regulation as amended by Ministerial Order L:038/06) and the debt service limit is calculated at 0.35 times of the same revenue. Incurring debt beyond these limitations requires approval by the Provincial Minister of Municipal Affairs.

Pursuant to section 6(1) of the Regulation, the Municipality has elected to exclude revenues, total debt and debt service costs for certain controlled corporations from its debt limit and debt service limit calculations. The controlled corporations that have been excluded are Wood Buffalo Housing & Development Corporation and the Regional Recreation Corporation of Wood Buffalo.

The Municipality's Debt Management Policy (amended November 27, 2012) has an established debt and debt service limit of 85% of the Municipal Government Act and regulation limits.

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

## 14. Tangible capital assets

	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Assets Under Construction	2018	2017 (Restated - Note 27)
<b>COST:</b>									
<i>Balance, beginning of year</i>	\$ 408,265,905	\$ 283,009,980	\$ 933,317,148	\$ 2,619,983,242	\$ 148,378,003	\$ 84,390,499	\$ 623,687,439	\$ 5,101,032,216	\$ 4,896,591,209
Acquisition of tangible capital assets	8,431,788	26,752,908	54,190,510	173,682,288	2,998,842	3,536,585	(103,968,223)	165,624,698	229,474,504
Disposal of tangible capital assets	-	88,661	-	(10,835,853)	(2,074,586)	(2,608,013)	-	(15,429,791)	(25,033,497)
<i>Balance, end of year</i>	<u>\$ 416,697,693</u>	<u>\$ 309,851,549</u>	<u>\$ 987,507,658</u>	<u>\$ 2,782,829,677</u>	<u>\$ 149,302,259</u>	<u>\$ 85,319,071</u>	<u>\$ 519,719,216</u>	<u>\$ 5,251,227,123</u>	<u>\$ 5,101,032,216</u>
<b>ACCUMULATED AMORTIZATION:</b>									
<i>Balance, beginning of year</i>	\$ -	\$ 68,839,191	\$ 151,174,563	\$ 583,248,417	\$ 74,643,363	\$ 50,505,028	\$ -	\$ 928,410,562	\$ 831,034,302
Annual amortization	-	16,390,407	25,639,513	60,121,426	12,343,271	5,851,505	-	120,346,122	116,200,121
Accumulated amortization on disposals	-	26,598	-	(9,617,878)	(1,789,788)	(2,608,013)	-	(13,989,081)	(18,823,861)
<i>Balance, end of year</i>	<u>\$ -</u>	<u>\$ 85,256,196</u>	<u>\$ 176,814,076</u>	<u>\$ 633,751,965</u>	<u>\$ 85,196,846</u>	<u>\$ 53,748,520</u>	<u>\$ -</u>	<u>\$ 1,034,767,603</u>	<u>\$ 928,410,562</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 416,697,693</u>	<u>\$ 224,595,353</u>	<u>\$ 810,693,582</u>	<u>\$ 2,149,077,712</u>	<u>\$ 64,105,413</u>	<u>\$ 31,570,551</u>	<u>\$ 519,719,216</u>	<u>\$ 4,216,459,520</u>	<u>\$ 4,172,621,654</u>
2017 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (Restated - Note 27)	<u>\$ 408,265,905</u>	<u>\$ 214,170,789</u>	<u>\$ 782,142,585</u>	<u>\$ 2,036,734,825</u>	<u>\$ 73,734,640</u>	<u>\$ 33,885,471</u>	<u>\$ 623,687,439</u>	<u>\$ 4,172,621,654</u>	



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 14. Tangible capital assets (continued)

a) *Assets under construction*

Assets under construction having a value of \$519,719,216 (2017 - \$623,687,439) have not been amortized. Amortization of these assets will commence when the assets are available for use.

b) *Contributed tangible capital assets*

Contributed capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$6,167,889 (2017 - \$29,866,617).

Contributed tangible capital assets received consists of:

	2018	2017
		(Restated - Note 27)
Roadway System	\$ 3,198,574	\$ 11,580,249
Water System	848,961	3,929,291
Wastewater System	753,907	8,498,592
Storm System	1,291,447	4,314,781
Land Improvements	75,000	1,543,704
	<u>\$ 6,167,889</u>	<u>\$ 29,866,617</u>

c) *Tangible capital assets disclosed at nominal values*

Assets recognized at nominal value by the Municipality consist of certain land, land improvements, buildings and improvements, machinery and equipment, engineered structures, and vehicles.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 15. Accumulated surplus

	2018	2017
		(Restated - Note 27)
Operations:		
Operating reserves:		
General administration	\$ 335,557,651	\$ 268,490,962
Common services	142,575	142,575
Recreation	931,103	922,754
Urban parks	289,775	289,775
Wood Buffalo Economic Development Corporation	(246,275)	-
Regional Municipality of Wood Buffalo Library Board	1,509,847	1,876,866
Wood Buffalo Housing & Development Corporation	49,377,490	51,239,897
Regional Recreation Corporation of Wood Buffalo	2,129,123	2,322,351
	389,691,289	325,285,180
<b>Total operations</b>	<b>389,691,289</b>	<b>325,285,180</b>
Capital:		
Deficit - undesignated	(83,768,179)	(111,902,359)
Capital reserves:		
General	842,004,475	610,057,817
Equipment	706,327	706,327
Common services	708,599	708,599
Roads and streets	32,811	32,744
Water supply	2,052,107	2,052,107
Sewage	2,317,650	2,317,650
Recreation	6,907,212	6,907,212
Regional Municipality of Wood Buffalo Library Board	458,673	287,438
Wood Buffalo Housing & Development Corporation	12,515,305	11,368,725
Regional Recreation Corporation of Wood Buffalo	1,769,438	1,769,438
	869,472,597	636,208,057
Equity in tangible capital assets		
Tangible capital assets (Note 14)	5,251,227,123	5,101,032,216
Accumulated amortization (Note 14)	(1,034,767,603)	(928,410,562)
Long-term debt (Note 12)	(345,336,599)	(385,336,166)
	3,871,122,921	3,787,285,488
<b>Total capital</b>	<b>4,656,827,339</b>	<b>4,311,591,186</b>
<b>Accumulated surplus</b>	<b>\$ 5,046,518,628</b>	<b>\$ 4,636,876,366</b>

Reserves are a key tool used to set aside funds to replace existing tangible capital assets, respond to emergent needs, stabilize tax rates, and fund future capital projects. Capital reserves are substantially committed to current budgeted capital projects.

Operating and capital reserves related to the Regional Municipality of Wood Buffalo Library Board, Wood Buffalo Housing & Development Corporation, the Regional Recreation Corporation of Wood Buffalo and the Wood Buffalo Economic Development Corporation are dedicated for those entities and are not available for general use by the Municipality.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 15. Accumulated surplus (continued)

#### Changes in accumulated surplus

	Unrestricted Deficit	Restricted Surplus	Equity in Tangible Capital Assets	2018	2017 (Restated - Note 27)
Balance, beginning of year	\$ (111,902,359)	\$ 961,493,237	\$ 3,787,285,488	\$ 4,636,876,366	\$ 4,310,020,492
Annual surplus	409,642,262	-	-	409,642,262	326,855,874
Unrestricted funds designated for future use	(422,460,508)	422,460,508	-	-	-
Restricted funds used for operations	13,309,577	(13,309,577)	-	-	-
Restricted funds used for tangible capital assets	-	(111,480,282)	111,480,282	-	-
Current year funds used for tangible capital assets	(47,976,527)	-	47,976,527	-	-
Contributed tangible capital assets	(6,167,889)	-	6,167,889	-	-
Disposal of tangible capital assets	1,440,710	-	(1,440,710)	-	-
Annual amortization expense	120,346,122	-	(120,346,122)	-	-
Long term debt repaid	(39,999,567)	-	39,999,567	-	-
Change in accumulated surplus	28,134,180	297,670,649	83,837,433	409,642,262	326,855,874
Balance, end of year	\$ (83,768,179)	\$ 1,259,163,886	\$ 3,871,122,921	\$ 5,046,518,628	\$ 4,636,876,366

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 16. Net taxes available for municipal purposes

	Budget	2018	2017
	(Note 24)		
Taxation:			
Real property taxes	\$670,208,231	\$759,071,358	\$ 802,046,632
Government grants in lieu of property taxes	-	1,273,569	729,099
Special assessments and local improvement taxes	252,410	328,123	330,111
Well drilling	600,000	1,651,417	1,140,875
	671,060,641	762,324,467	804,246,717
Requisitions:			
Designated Industrial Properties	-	1,509,106	-
Alberta School Foundation Fund	-	71,371,590	67,952,318
School boards	-	6,105,166	5,895,003
	-	78,985,862	73,847,321
Net taxes available for municipal purposes	\$671,060,641	\$683,338,605	\$ 730,399,396

The Municipality is required to levy taxes under section 353 of the Municipal Government Act towards payment of education requisitions. Education tax revenues are recorded at the amounts levied. Actual taxes levied over/under the amount requisitioned are recorded as an adjustment to taxes and grants in lieu receivable.

### 17. Government transfers

	Budget	2018	2017
	(Note 24)		
Transfers for Operating:			
Conditional shared cost agreements and grants			
Federal Government	\$ 129,440	\$ 362,484	\$ 82,106
Provincial Government	21,614,453	50,580,666	61,814,875
Total government transfers for operating	21,743,893	50,943,150	61,896,981
Transfers for Capital:			
Conditional shared cost agreements and grants			
Federal Government	9,071,390	-	-
Provincial Government	35,083,737	83,241,569	50,131,515
Total government transfers for capital	44,155,127	83,241,569	50,131,515
Total government transfers	\$ 65,899,020	\$134,184,719	\$ 112,028,496

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 17. Government transfers (continued)

In addition to those government transfers relating to deferred revenues, as described in Note 8, the following operating provincial government transfers were received:

#### Operating government transfers

##### (a) *Disaster Recovery Program*

Alberta Municipal Affairs through the Alberta Emergency Management Agency provides financial assistance in the event of a disaster to individuals, small businesses, not-for-profit organizations, municipalities and government departments through the Disaster Recovery program. The Municipality is approved for assistance through the Disaster Recovery Program for the 2016 wildfire event (Note 23). During 2018, the Municipality received \$nil (2017 - \$61,176,369), recognized as operating government transfers \$27,673,480 (2017 - \$39,131,293) and recognized as receivable \$43,889,665 (2017 - \$16,216,185).

##### (b) *Dispatch Contract*

Alberta Health Services provides a dispatch contract to partially offset the cost of running the Municipality's dispatch centre. During 2018, the Municipality received and recognized as operating government transfers \$660,875 (2017 - \$643,147).

##### (c) *Emergency Medical Services Contract*

Alberta Health Services provides the Emergency Medical Services Ground Ambulance contract which provides assistance to partially offset the cost of providing 24/7 emergency medical services to the Municipality's citizens. During 2018, the Municipality received and recognized \$7,173,567 (2017 - \$7,161,396).

##### (d) *Family & Community Support Services Grant*

The Province of Alberta provides the Family and Community Support Services Grant to support several programs for children, youth, families, adults, seniors, community development, and social planning in the Municipality's different communities in accordance with the Family and Community Support Services Act and Regulation. During 2018, the Municipality received and recognized as operating government transfers \$1,924,513 (2017 - \$1,924,513).

##### (e) *Alberta Municipal Affairs – Public Library Operating Grant*

The Municipality receives a per capita operating grant from the Province of Alberta through Alberta Municipal Affairs to support the operation of library services. In 2018, the Municipality received and recognized as operating government transfers \$693,928 (2017 - \$693,928).

##### (f) *Canada 150 Community Infrastructure Program Grant*

The Canada 150 Community Infrastructure Program is part of Canada 150 Celebrates, the Government of Canada's celebration of our country's 150th anniversary of Confederation. Through investments in community infrastructure, the Government of Canada invests in projects that celebrate heritage, create jobs, and improve the quality of life for Canadians. In 2018, the Municipality received and recognized as capital government transfers \$126,022 (2017 - \$nil).

#### Capital government transfers

##### (g) *GreenTRIP Transportation Grants*

The Municipality entered into an agreement with the Province of Alberta to undertake the construction of a transit maintenance facility and purchase 34 low floor buses. The grant is a cost share grant whereby the Province of Alberta will provide 66.67% of eligible costs. In 2018, the Municipality received and recognized as capital government transfers \$649,996 (2017 - \$3,359,641) towards the costs of the transit facility and buses.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 18. Expenses by object

	Budget (Note 24)	2018	2017 (Restated - Note 27)
Salaries, wages and benefits	\$265,723,249	\$253,942,114	\$272,410,877
Contracted and general services	88,357,085	118,948,792	128,894,539
Purchases from other governments	27,113,700	23,641,339	24,111,442
Materials, goods, supplies and utilities	49,529,801	46,186,918	42,720,321
Provision for allowances	602,000	(2,568,892)	22,393,685
Transfers to local boards and agencies	743,000	71,500	143,000
Transfers to individuals and organizations	6,888,750	8,173,726	17,155,982
Bank charges and short-term interest	401,566	458,205	468,512
Interest on long-term debt	16,181,326	16,499,082	16,995,368
Other	95,150	196,176	45,056,080
Amortization of tangible capital assets	-	120,346,122	116,200,121
Valuation loss on real property inventory and mortgages receivable	-	-	1,000,000
Loss on disposal of tangible capital assets	-	-	2,214,400
<b>Total expenses</b>	<b>\$455,635,627</b>	<b>\$585,895,082</b>	<b>\$689,764,327</b>

### 19. Contractual Rights

The Municipality has entered into lease agreements to lease land and building space to other parties until 2031 assuming no default on payments by the counterparty. The annual lease receipts in each of the following years are:

2019	\$ 5,695,245
2020	1,487,992
2021	1,293,308
2022	1,216,653
2023	1,102,770
Thereafter	4,484,128
	<b>\$ 15,280,096</b>

### 20. Commitments and contingent liabilities

#### (a) Operating leases

The Municipality has entered into lease agreements for the leasing of office space and equipment until 2023. The annual lease payments in each of the following years are:

2019	\$ 3,315,065
2020	2,787,847
2021	1,938,378
2022	1,938,378
2023	1,619,632
Thereafter	377,708
	<b>\$ 11,977,008</b>

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 20. Commitments and contingent liabilities (continued)

#### (b) *Borrowing facilities (line of credit)*

Pursuant to section 256 of the Municipal Government Act and Municipal Bylaw 16/019, the Municipality is authorized to borrow from the Municipality's financial institution, on a revolving basis, up to \$50,000,000 for the purpose of meeting current operating expenditures and obligations of the Municipality when required. At December 31, 2018, the Municipality had authorized the line of credit available from its bank in the amount of \$50,000,000. At year end, no amounts were drawn against its available line of credit.

Two of the Municipality's controlled entities entered into banking agreements that include a revolving demand credit facility available in the amount of \$1,000,000 (2017 - \$1,000,000) and \$9,000,000 (2017 - \$9,000,000) which bear interest at prime minus 0.5% and prime plus 3.0% respectively. At December 31, 2018, no amounts were drawn against these facilities (2017 - \$nil). In addition, one of the Municipality's controlled entities has access to a \$100,000 (2017 - \$100,000) Visa business facility which is drawn upon from time to time with their accounts receivable pledged as security on this facility.

#### (c) *Development agreements*

Developers have entered into agreements with the Municipality in the amount of approximately \$28,000,000 (2017 - \$29,000,000) and are committed to installing and constructing certain works to serve the development of lands within the Municipality. The Municipality has taken security from developers in the form of deposit liabilities in the amount of \$5,688,396 (2017 - \$5,318,275) and letters of credit in the amount of \$15,575,901 (2017 - \$16,537,755) to ensure performance by the developers under the agreements.

#### (d) *Contingent liabilities*

The Municipality identified one contaminated site where the costs are expected to be paid by a third party. This site in Abasand is a former oil sands site and contaminants in soil and groundwater have been found to exceed environmental standards. The undiscounted expected expenditures to reclaim this site have been estimated at \$2,000,000. The Municipality has assessed that it is not responsible to remediate the contamination and therefore has not recorded a liability.

The Municipality is a defendant in various lawsuits as at December 31, 2018. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of loss can be reasonably estimated, amounts have been included in accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 21. Salary and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officer by Alberta Regulation 313/2000 is as follows:

	Salary (a)	Benefits and Allowances (b,c)	Total 2018	Total 2017
Mayor Scott	\$ 133,352	\$ 24,271	\$ 157,623	\$ 26,222
Former				
Mayor Blake	-	96,748	96,748	130,521
Ward 1				
Councillor Allen	39,273	13,690	52,963	8,703
Councillor Balsom	39,273	16,781	56,054	9,209
Councillor McGrath	39,274	16,697	55,971	54,745
Councillor Meagher	39,273	13,630	52,903	51,768
Councillor Murphy	39,273	14,260	53,533	8,132
Councillor Peddle	39,273	13,690	52,963	8,703
Ward 2				
Councillor Inglis	39,273	11,553	50,826	8,347
Councillor Voyageur	42,674	10,267	52,941	48,517
Ward 3				
Councillor Lalonde	39,273	13,690	52,963	8,703
Ward 4				
Councillor Stroud	36,101	10,732	46,833	49,727
Former				
Councillor Ault	-	-	-	52,017
Councillor Bussieres	-	-	-	47,948
Councillor Cardinal	-	-	-	49,198
Councillor Chadi	-	-	-	2,947
Councillor Germain	-	29,102	29,102	50,870
Councillor Tatum	-	-	-	49,542
Councillor Vinni	-	-	-	56,322
Chief Administrative Officers				
Current	360,000	64,851	424,851	488,648
Former	-	-	-	499,709
Designated Officers (d)				
Current	408,508	109,255	517,763	293,685
Former	392,543	104,255	496,798	886,639
	\$ 1,687,363	\$ 563,472	\$ 2,250,835	\$ 2,890,822

(a) Salaries are disclosed as gross wages paid.

(b) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, long and short-term disability plans, accidental disability and dismemberment insurance, professional memberships and tuition.

(c) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, honorarium, car, travel and technology allowances.

(d) The Municipality's four designated officers are the Regional Assessor, Chief Legislative Officer, Chief Financial Officer and Director of Planning and Development.



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 22. Segment disclosures

The Municipality provides a wide range of services to its ratepayers. Segment disclosures are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- (a) **Fiscal Services** provides financial and purchasing services for the Municipality.
- (b) **General Government** consists of corporate administration and general municipal services for the Municipality.
- (c) **Protective Service** is comprised of police, traffic safety, bylaw enforcement, fire rescue and ambulance services.
- (d) **Transportation** includes bus, roadway and parking services.
- (e) **Environmental Use and Protection** delivers services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, underground services, water and wastewater treatment, as well as community relation services in support of waste management programs.
- (f) **Public Health and Welfare** provides family and community support services along with cemeteries.
- (g) **Planning and Development** is comprised of the Community Development Planning branch, the Comprehensive Planning branch and the Safety Codes branch.
- (h) **Recreation and Culture** develops initiatives to provide opportunities and support in the areas of arts heritage and culture, and in recreation, sport and leisure.
- (i) **Subsidiary Entities** include Wood Buffalo Housing & Development Corporation, Regional Recreation Corporation of Wood Buffalo, Regional Municipality of Wood Buffalo Library Board and Wood Buffalo Economic Development Corporation.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

## 22. Segment disclosures (continued)

	2018									
	Fiscal Services	General Government	Protective Service	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2018 Total
Revenue:										
Net taxes available for municipal purposes	\$ 680,553,583	\$ -	\$ -	\$ 126,819	\$ 202,684	\$ -	\$ -	\$ -	\$ 2,455,519	\$ 683,338,605
Government transfers - operating and capital	-	92,719,837	9,542,854	-	-	2,753,030	-	19,217	29,149,781	134,184,719
Sales and user charges	-	2,653,914	2,549,886	2,085,609	39,936,092	30,105	193,978	664,467	12,846,186	60,960,237
Sales to other governments	-	350	231,039	-	2,378,460	-	-	-	-	2,609,849
Penalties and costs on taxes	4,860,801	191,104	-	-	243,047	-	-	-	(3,989)	5,290,963
Licenses and permits	-	428,801	2,445,886	(40)	(1,520)	-	2,046,081	420	(160)	4,919,468
Fines	-	-	3,560,958	-	-	-	-	-	42,315	3,603,273
Franchise and concession contracts	-	7,875,171	-	-	-	-	-	-	-	7,875,171
Returns on investments	-	22,540,163	(1,419)	66	-	850	-	10,975	1,393,841	23,944,476
Rentals	-	690,958	1,229,039	13,961	-	-	43,065	62,224	17,944,874	19,984,121
Developers' agreements and levies (expenses)	-	21,017,127	-	-	-	-	-	-	-	21,017,127
Contributions of tangible capital assets	-	-	-	4,565,021	1,602,868	-	-	-	-	6,167,889
Other	-	5,727,675	3,087,342	-	-	-	31,932	196,027	5,251,539	14,294,515
Gain on disposal of tangible capital assets	-	10,252,458	-	(3,198,860)	-	-	-	-	293,333	7,346,931
	685,414,384	164,097,558	22,645,585	3,592,576	44,361,631	2,783,985	2,315,056	953,330	69,373,239	995,537,344
Expenses:										
Salaries, wages and benefits	-	62,285,485	51,408,985	40,694,309	31,576,448	3,528,082	10,959,061	17,951,148	35,538,596	253,942,114
Contracted and general services	-	68,268,722	3,775,495	15,958,956	12,450,123	588,623	3,813,506	4,342,597	9,750,770	118,948,792
Purchases from other governments	-	9,364	23,503,354	122,377	-	-	6,244	-	-	23,641,339
Materials, goods, supplies and utilities	-	9,766,768	1,738,581	13,379,154	5,560,744	215,131	326,340	1,405,141	13,795,059	46,186,918
Provision for (recoveries of) allowances	(1,911,041)	(1,593,130)	570,034	-	275,245	-	-	-	90,000	(2,568,892)
Transfers to local boards and agencies	-	-	-	-	-	-	-	71,500	-	71,500
Transfers to (from) individuals and organizations	-	40,000	30,000	-	-	22,666,189	-	4,459,729	(19,022,192)	8,173,726
Bank charges and short-term interest	-	120,809	3,345	(21)	20,047	-	86,071	2,818	225,136	458,205
Interest on long-term debt	-	370,168	531,254	351,328	5,476,490	-	877,901	5,032,597	3,859,344	16,499,082
Other	-	145,260	(15)	50,000	933	-	-	(2)	-	196,176
	(1,911,041)	139,413,446	81,561,033	70,556,103	55,360,030	26,998,025	16,069,123	33,265,528	44,236,713	465,548,960
Annual surplus (deficit), before amortization	687,325,425	24,684,112	(58,915,448)	(66,963,527)	(10,998,399)	(24,214,040)	(13,754,067)	(32,312,198)	25,136,526	529,988,384
Amortization of tangible capital assets	-	5,633,503	5,226,665	40,515,894	38,400,012	-	176,774	21,776,500	8,616,774	120,346,122
Annual surplus (deficit)	\$ 687,325,425	\$ 19,050,609	\$ (64,142,113)	\$ (107,479,421)	\$ (49,398,411)	\$ (24,214,040)	\$ (13,930,841)	\$ (54,088,698)	\$ 16,519,752	\$ 409,642,262

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 22. Segment disclosures (continued)

2017										
(Restated - Note 27)										
	Fiscal Services	General Government	Protective Service	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2017 Total
Revenue:										
Net taxes available for municipal purposes	\$729,738,482	\$ (152)	\$ -	\$ 127,681	\$ 203,810	\$ -	\$ -	\$ -	\$ 329,575	\$ 730,399,396
Government transfers - operating and capital	-	89,793,331	10,689,021	-	-	2,556,719	-	108,783	8,880,642	112,028,496
Sales and user charges	-	13,261,773	4,396,792	1,990,715	39,927,012	181,969	218,453	1,260,884	19,488,363	80,725,961
Sales to other governments	-	-	586,154	-	2,873,624	-	-	-	-	3,459,778
Penalties and costs on taxes	3,574,495	(959,939)	-	-	189,478	-	-	-	(3,590)	2,800,444
Licenses and permits	-	(356,796)	278,284	7,645	957	-	3,042,100	335	(155)	2,972,370
Fines	-	-	4,928,587	-	-	-	-	-	35,301	4,963,888
Franchise and concession contracts	-	7,802,627	-	-	-	-	-	-	-	7,802,627
Returns on investments	-	17,727,600	-	78	-	495	-	10,796	726,027	18,464,996
Rentals	-	770,172	970,311	14,141	-	-	25,730	29,965	17,680,934	19,491,253
Developers' agreements and levies	-	(2,138,881)	-	-	-	-	-	-	-	(2,138,881)
Contributions of tangible capital assets	-	-	-	17,438,734	12,427,883	-	-	-	-	29,866,617
Other	-	1,263,542	283,204	55,164	-	-	-	158,976	4,022,370	5,783,256
	733,312,977	127,163,277	22,132,353	19,634,158	55,622,764	2,739,183	3,286,283	1,569,739	51,159,467	1,016,620,201
Expenses:										
Salaries, wages and benefits	-	70,285,425	56,811,995	44,437,169	32,939,299	3,687,336	12,620,874	16,050,196	35,578,583	272,410,877
Contracted and general services	-	70,046,931	4,318,732	16,489,368	9,270,889	249,307	4,821,755	13,015,842	10,681,715	128,894,539
Purchases from other governments	-	39,291	23,253,681	806,384	-	-	3,262	-	8,824	24,111,442
Materials, goods, supplies and utilities	-	1,780,026	2,410,914	12,495,727	10,153,482	305,068	247,852	2,381,522	12,945,730	42,720,321
Provision for allowances	17,503,129	(491,535)	2,107,929	-	3,069,311	-	-	-	204,851	22,393,685
Transfers to local boards and agencies	-	-	-	-	-	-	-	143,000	-	143,000
Transfers to (from) individuals and organizations	-	85,668	73,150	-	-	26,558,594	-	9,418,601	(18,980,031)	17,155,982
Bank charges and short-term interest	-	151,735	1,682	106	21,579	-	44,310	2,028	247,072	468,512
Interest on long-term debt	-	400,218	581,464	413,458	5,857,911	-	911,492	5,266,788	3,564,037	16,995,368
Other	45,002,590	52,766	-	24	700	-	-	-	-	45,056,080
Valuation losses on real property inventory and mortgages receivable	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Loss (gain) on disposal of tangible capital assets	-	2,222,734	-	-	-	-	-	-	(8,334)	2,214,400
	62,505,719	144,573,259	89,559,547	74,642,236	61,313,171	30,800,305	18,649,545	46,277,977	45,242,447	573,564,206
Annual surplus (deficit), before amortization	670,807,258	(17,409,982)	(67,427,194)	(55,008,078)	(5,690,407)	(28,061,122)	(15,363,262)	(44,708,238)	5,917,020	443,055,995
Amortization of tangible capital assets	-	5,873,984	5,343,427	32,099,574	42,571,714	-	224,111	24,888,034	5,199,277	116,200,121
Annual surplus (deficit)	\$670,807,258	\$ (23,283,966)	\$ (72,770,621)	\$ (87,107,652)	\$ (48,262,121)	\$ (28,061,122)	\$ (15,587,373)	\$ (69,596,272)	\$ 717,743	\$ 326,855,874

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 23. Sales and user charges by segment

	Budget (Note 24)	2018	2017
Council and other legislative	\$ 18,000	\$ 21,960	\$ 16,580
General administration	246,240	2,534,940	13,097,031
Other general government	75,000	97,014	148,162
Police	567,000	745,081	635,300
Fire	142,000	127,365	151,013
Disaster and emergency measures	50,000	105,538	1,986,724
Ambulance and first aid	1,199,000	1,347,173	1,621,908
Bylaw enforcement	-	224,729	1,847
Common and equipment pool	-	87,889	(14,395)
Roads, streets, walks, lighting	179,900	478,956	406,772
Public transport	1,232,000	1,518,764	1,598,338
Water supply and distribution	14,455,500	15,916,653	16,382,030
Wastewater treatment and disposal	11,353,100	11,548,198	12,198,827
Waste management	14,108,000	12,471,241	11,346,155
Family and community support	-	-	177,240
Cemeteries and crematoriums	20,000	30,105	4,729
Land use planning, zoning and development	174,000	193,978	196,041
Public housing operations	84,800	794,716	6,352,645
Land, housing and building rentals	-	-	22,412
Parks and recreation	15,267,939	12,715,937	14,374,776
Culture: libraries, museums, halls	-	-	21,826
Total sales and user charges	\$ 59,172,479	\$ 60,960,237	\$ 80,725,961

### 24. Budget data

The budget data presented in these consolidated financial statements is based upon the 2018 operating and capital budgets approved by Council.

Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 705,352,467
Capital budget	251,649,356
Subsidiaries' budget	43,902,678
Less:	
Transfers from other funds	141,894,229
Total revenue	859,010,272
Expenses:	
Operating budget	705,352,467
Capital budget	251,649,356
Subsidiaries' budget	43,516,107
Less:	
Transfers to other funds	275,931,947
Capital expenditures	251,649,356
Long-term debt principal payments	17,301,000
Total expenses	455,635,627
Annual surplus	\$ 403,374,645

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 25. Financial instruments

The Municipality's financial instruments consist of cash and cash equivalents, restricted cash, taxes and grants in lieu receivable, trade and other receivables, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the Municipality is not exposed to significant currency risks from its financial instruments.

The Municipality is subject to credit risk with respect to taxes and grants in lieu receivable, trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. The Municipality is subject to interest rate risk arising primarily from fluctuations in rates on its cash, investments and long-term debt.

### 26. Fire event

#### Overview

On May 1, 2016, a wildfire began southwest of Fort McMurray, in the Regional Municipality of Wood Buffalo.

#### Impact on Financial Results

Costs incurred as a result of response or recovery efforts are capitalized or expensed in accordance with the accounting policies in Note 1. Only costs that represent a betterment, enhancement or new asset are capitalized, with repairs and maintenance being expensed.

The wildfire damaged or destroyed Municipal tangible capital assets. In 2018 the Municipality disposed of \$46,400 (2017 - \$34,000) in tangible capital assets due to wildfire damage. While the Municipality has completed a portion of the work to restore conditions to pre-fire, it is expected that recovery efforts will continue into 2019 and beyond.

The Municipality holds various insurance policies with multiple insurance providers which have been and will be used to fund a portion of the response and recovery efforts. The Municipality has received \$45,920,250 from insurance providers since 2016 relating to municipal assets and equipment destroyed or damaged by the wildfire. In 2018 the Municipality received \$9,577,400 (2017 - \$4,737,415) from insurance providers.

The Municipality applied and was approved for relief under the Province of Alberta's Alberta Emergency Agency's Disaster Recovery Assistance program (DRP). Advances totalling \$148,676,369 have been received from DRP since 2016 to assist in paying for financial commitments resulting from expenses incurred during and after the wildfire with \$nil (2017 - \$61,176,369) received in 2018. The DRP recovery efforts are forecast to be finished by 2021.

The following amounts recorded in the statement of operations and statement of financial position related to the wildfire of 2016 are as follows:

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 26. Fire event (continued)

	2018	2017
Financial assets		
Restricted cash	\$ -	\$ 801,100
Trade and other receivables	45,479,490	19,560,678
	45,479,490	19,560,678
Liabilities		
Accounts payable and accrued liabilities	395,656	1,005,335
Deferred revenue	684,059	3,748,316
	1,079,715	4,753,651
Net financial assets	44,399,775	14,807,027
Revenue:		
Government transfers for operating	27,673,480	39,131,293
Sales and user charges	3,682,427	11,725,871
Other revenue	2,833,933	718,258
Gain on disposal of tangible capital assets	7,563,258	-
	41,753,098	51,575,422
Expenses:		
General administration	23,526,438	41,638,397
Public housing operations	(9,823)	1,318,028
Parks and recreation	-	17,130
	23,516,615	42,973,555
Annual surplus	\$ 18,236,483	\$ 8,601,867

The wildfire impact on Expenses by Object (Note 18) consists of:

	2018	2017
Salaries, wages and benefits	\$ 1,882,951	\$ 2,719,916
Contracted and general services	21,762,881	40,486,324
Materials, goods, supplies and utilities	(127,867)	(200,035)
Other	(1,350)	1,350
Loss on disposal	-	(34,000)
Total expenses	\$ 23,516,615	\$ 42,973,555

#### Measurement Uncertainty

The impact of the wildfire was subject to a high degree of estimation and judgement, particularly as it relates to the estimation of future expenditures and impairment of assets. The Municipality has used the best information at the time in all measurements and estimations related to the wildfire and those estimates may not materialize and the final results and adjustments to these estimates will be reflected in future financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

### 27. Restatement of prior year

A contribution of tangible capital assets was not reported in 2017. As a result, tangible capital assets and accumulated surplus - capital in the consolidated statement of financial position, and contributions of tangible capital assets and amortization expense in the consolidated statement of operations, were understated in the December 31, 2017 consolidated financial statements. The notes to the consolidated financial statement have been adjusted accordingly. The impact of the correction of the error on the 2017 consolidated financial statements is as follows:

Consolidated Statement of Financial Position	2017 Balances		
	As Reported	Adjustment	Restated
<b>Non-financial assets</b>			
Tangible capital assets	\$ 4,065,556,907	\$ 23,831,621	\$ 4,089,388,528
<b>Accumulated surplus</b>			
Capital	4,287,759,565	23,831,621	4,311,591,186
<b>Consolidated Statement of Operations</b>			
<b>Expenses:</b>			
Roads, streets, walks, lighting*	47,954,088	197,235	48,151,323
Storm sewers and drainage*	3,898,697	22,416	3,921,113
Water supply and distribution*	67,772,034	24,265	67,796,299
Wastewater treatment and disposal*	19,639,066	92,474	19,731,540
	139,263,885	336,390	139,600,275
<b>Other:</b>			
Contribution of tangible capital assets**	5,698,606	24,168,011	29,866,617
<b>Impact on annual surplus</b>	\$ (133,565,279)	\$ 23,831,621	\$ (109,733,658)

\* changes reflected in amortization expense in note 18

\*\* changes reflected in the transportation and environmental use and protection sections in note 22

### 28. Approval of financial statements

These financial statements were presented and approved by Council on April 9, 2019.





**The Regional Municipality of  
Wood Buffalo**  
Report to the Council on the 2018  
audit

April 9, 2019





April 1, 2019

To the Mayor and Council ("Council") of the Regional Municipality of Wood Buffalo

**Report on audited annual financial statements**

Dear Council Members:

We are pleased to submit this report on the status of our audit of the Regional Municipality of Wood Buffalo (the "Municipality") for the 2018 fiscal year. This report summarizes the scope of our audit, our findings to date and reviews certain other matters that we believe to be of interest to you. We are continuing to work with management to complete the outstanding matters summarized on page 2 of this report.

As agreed in our master service agreement dated October 15, 2016 and confirmation letter dated January 24, 2019, we have performed an audit of the consolidated financial statements of the Municipality as of and for the year ended December 31, 2018, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and expect to issue our audit report thereon dated April 9, 2019.

Our audit has been conducted in accordance with the audit plan that was presented to the Council of the Regional Municipality of Wood Buffalo at the meeting on December 11, 2018.

This report is intended solely for the information and use of Council of the Municipality, management and others within the Municipality and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP".

Chartered Professional Accountants

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Significant audit risks	4
Other reportable matters	9
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# Our audit explained

This report summarizes the main findings arising from our audit to date.

## Audit scope and terms of engagement

We have been asked to perform an audit which includes the Municipality's consolidated financial statements (the "financial statements") in accordance with Canadian Public Sector Accounting Standards ("PSAS") as at and for the year ended December 31, 2018. Our audit was conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the master service agreement dated October 15, 2016 and the confirmation letter dated January 24, 2019, which was signed on behalf of management.

## Significant audit risks

Through our risk assessment process, we have identified the significant audit risks. These risks of material misstatement and related audit responses are discussed in the Significant audit risks section of this report.



## Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality levels are determined on the basis of professional judgement and the Municipality's total expenditures. Our materiality for the year ended December 31, 2018 was \$21,000,000 (2017-\$20,600,000).

We have informed Council of all uncorrected misstatements greater than a clearly trivial amount of \$450,000 and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we asked that any misstatements be corrected.

## Audit fees

We communicated our proposed audit fees in our audit service plan. We are currently working with management to finalize our billing based on any changes in scope during the course of the audit.

**Status and outstanding matters**

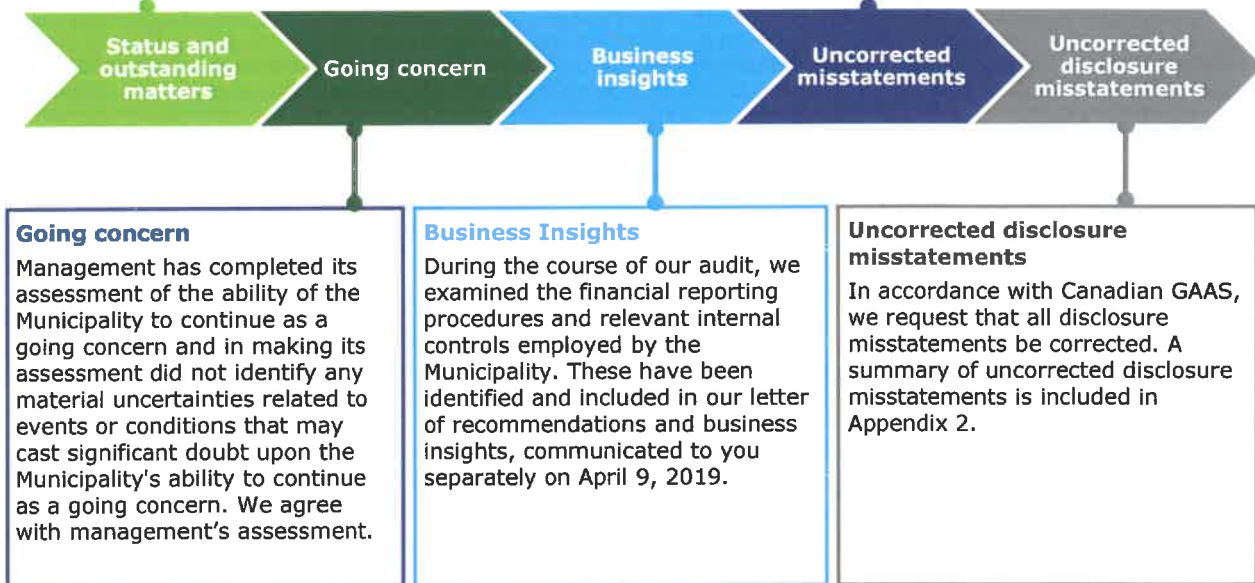
We expect to be in a position to render our audit opinion dated April 9, 2019 on the financial statements of the Municipality following approval of the financial statements by the Council of the Regional Municipality of Wood Buffalo and the completion of the following outstanding items:

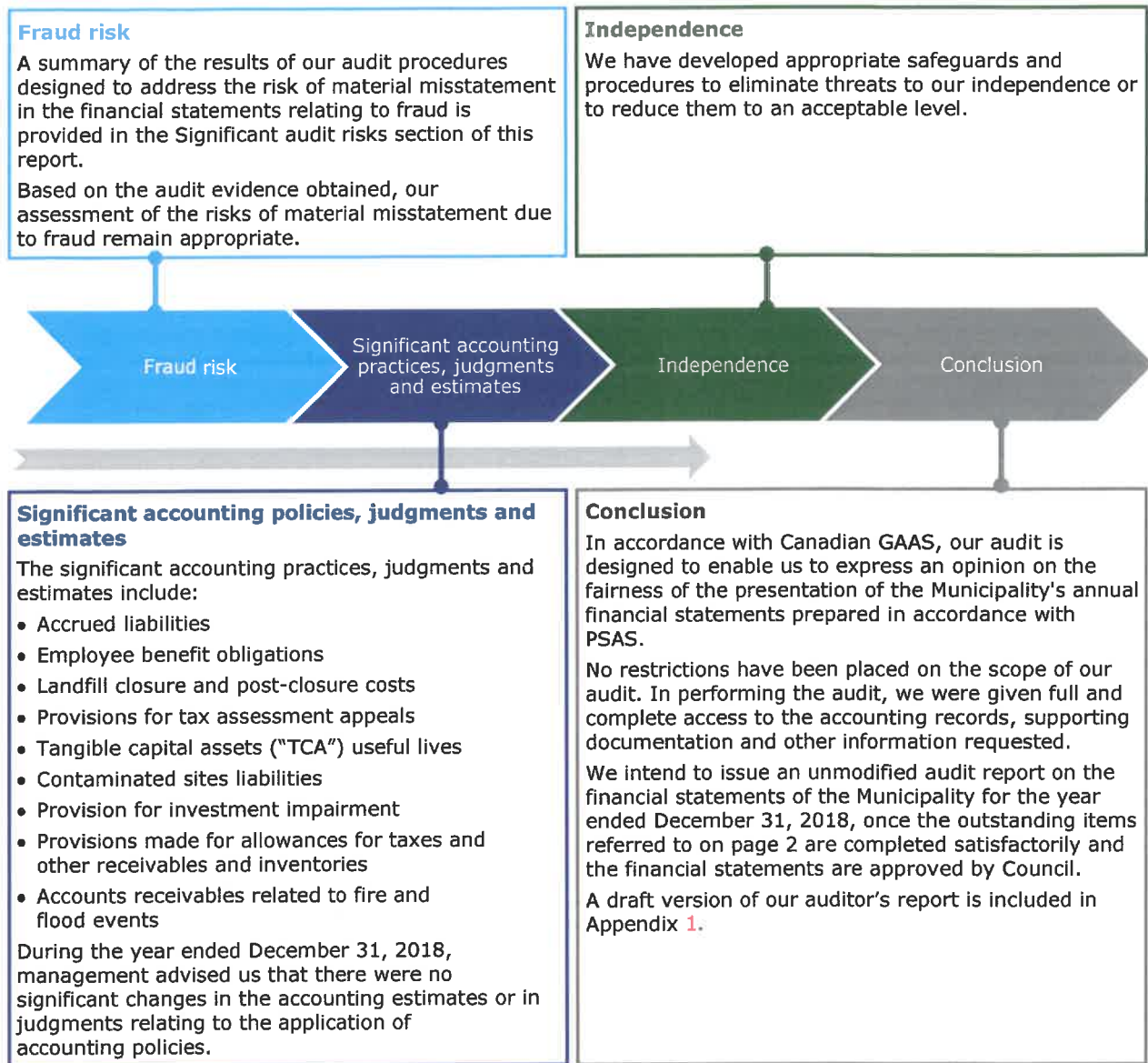
- Receipt of signed management representation letter
- Completion of our engagement quality review
- Update of subsequent events
- Deferred Revenue
- Employment Benefit Obligations
- Legal Workbook
- Financial Statements
- Journal Entry Testing
- Minor documentation items

**Uncorrected misstatements**

In accordance with Canadian GAAS, we request that all misstatements be corrected. A summary of the uncorrected misstatements as of the date of this report have been included in Appendix 2.

A contribution of tangible capital assets was not reported in 2017. As a result the 2017 comparative figures were restated in the current financial statements.





# Significant audit risks

The significant audit risks identified as part of our risk assessment, together with our planned responses and conclusions, are described below.

## Significant risk dashboard

Audit risk	Fraud risk	Assessment of the design and implementation of internal controls	Results of the substantive testing	Overall conclusion
Management override of controls				Satisfactory
Revenue recognition				Satisfactory
Existence, completeness, classification and valuation of tangible capital assets ("TCA")				Issues Identified
Completeness and accuracy of deferred revenue balances				To be confirmed
Completeness and valuation for post-closure landfill costs				Satisfactory
Collectability and existence of receivables related to the 2016 wildfire costs				Satisfactory
Completeness and cut-off of accounts payable, accruals, contractual obligations disclosed and commitments				Satisfactory
 Addressed during the audit  Issues Identified  Not applicable				

## Management override of controls

### Audit risk

Under Canadian Auditing Standards, it is the responsibility of management, with the oversight of those charged with governance to place a strong emphasis on fraud prevention and detection. Oversight by those charged with governance includes considering the potential for override of controls or other inappropriate influence over the financial reporting process.

Management override of controls is present in all entities. It is a risk of material misstatement resulting from fraud and therefore is considered as a significant risk.

### Our audit response

- We discussed fraud with management.
- We discussed fraud with internal audit.
- We asked Council for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the Municipality and their role in the oversight of management's antifraud programs.
- We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.
- We evaluated the business rationale for any significant unusual transactions.
- We determined whether the judgements and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.

### Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

## Revenue recognition

### Audit risk

Revenue Recognition (presumption that it is a risk of fraud) in the following areas:

- Recognition of revenues based on the underlying funding agreements.
- Recognition of developer levies in the incorrect period.
- Government transfers have not been recognized in circumstances where the specified conditions have been met.
- Recognition of government transfers in the incorrect period.

This represents a fraud risk for the 2018 audit.

### Our audit response

- We reviewed the revenue recognition policy for compliance with Canadian PSAS.
- We reviewed a sample of revenue transactions and revenue generating agreements to ensure the revenue is recognized in accordance with the policy and Canadian PSAS.
- We reviewed grant agreements to ensure funds were used for their intended purpose and that revenue was recognized in the appropriate period.
- We reviewed provincial and municipal contributions received during the year and ensure the amounts were appropriately recorded.
- We reviewed the developer levies recognized during the year and ensured that they were matched to actual expenses incurred in the year.

### Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.



## Existence, completeness, classification and valuation of TCA

### Risk identified

The TCA process and its ability to address the ongoing financial reporting requirements of the Municipality continue to be an area of concern. In addition, there is an increased risk that recorded contributed assets may not be complete and the fair value estimates of contributed TCA may differ significantly from actual results.

As a result of the wildfire which impacted the Municipality, the Municipality has an increased risk that TCA is overstated due to impairment or disposal of damaged assets not recorded.

### Our audit response

- We reviewed the Municipality's TCA policies for compliance with Canadian PSAS and consistency of application year over year.
- We reviewed the Municipality's current year transactions, adjustments and related disclosures.
- Our testing included, on a sample basis, reviewing amounts capitalized in the current year to ensure only amounts that met the requirements for capitalization were included.
- We reviewed the amortization rates and useful lives as well as the application of rates.
- We reviewed management's assessment of indicators of impairment, including TCA affected by the wildfire
- We reviewed general and administrative costs capitalized during the year to assess
- We tested a sample of capital additions recorded as betterments to confirm they were appropriately treated as capital rather than expenses in nature.
- We tested construction in progress and transfers made to completed TCA and confirmed if they were appropriately treated and complete.
- We reviewed a sample of recorded asset disposals and write-downs to ensure gains, losses and proceeds were correctly recorded. In addition, we reviewed Council minutes to identify approved asset disposals, as well as held discussions with asset managers to identify potentially unrecorded disposals.
- We reviewed the Municipality's process to ensure completeness of developer assets recorded.
- We tested TCA additions by reviewing project completion forms to ensure they were recorded in the correct period.
- We reviewed additions of contributed assets including the Municipality's methodology to determine the fair value of contributed assets

### Audit results

During the testing of contributed assets it was determined that a contributed asset was recorded in 2018, which should have been recorded in the prior year. This has resulted in a re-statement and correction of the prior year comparative numbers on the consolidated financial statements.

A summary of uncorrected financial statement misstatements are included in Appendix 2.

Please refer to our letter of recommendations and business insights for internal control deficiencies, provided separately from this report.



**Completeness and accuracy of deferred revenue balances.****Audit risk**

Revenue is recognized from the deferred balance when the funds are used for the purpose specified. There is a risk that revenue is not recognized in accordance with the funding agreements.

In addition, there is a risk that funding has not been recorded due to the decentralized nature of grant management and reliance on manual processes.

**Our audit response**

- We reviewed deferred revenue for compliance with Canadian PSAS.
- We tested a sample of expenditures and ensured that related revenue had been recognized appropriately.
- We reviewed federal and provincial transfer payments received during the year to fund specific projects.
- We reviewed the related funding agreements to ensure funds were used for their intended purpose and that revenue was recognized in the appropriate period.

**Audit results**

We will confirm our audit results once the outstanding items related to deferred revenue, and as noted on page 2, have been provided and our procedures have been performed.

**Completeness and valuation for post-closure landfill costs****Audit risk**

The liability for post-closure landfill costs is a significant estimate. The present value of the future liability is recognized proportionately based on the capacity and usage of the landfill.

**Our audit response**

- We reviewed management's estimate of landfill usage and capacity.
- We reviewed management's calculation of 2018 expense and post-closure landfill liability recorded through testing of inputs against third party market data, third party reports and assessments and through inquiry with landfill personnel outside of the finance department.
- We assessed the reliability of management's experts used in the development of estimates

**Audit results**

We obtained sufficient audit evidence to conclude that there were no material misstatements.

**Collectability and existence of receivables related to 2016 wildfire costs****Audit risk**

The Municipality is accessing the Provincial Disaster Recovery Program for funding for reimbursement of response and recovery costs related to the 2016 wildfire. Although the Municipality has received an advance of a portion of the funds applied for, they may have a receivable at year-end. There is a risk that the receivable may be overstated due to costs incurred that do not qualify for the Provincial Disaster Recovery Program funding.

**Our audit response**

- We reviewed management's estimate of amounts receivable at year-end.
- We tested management's process to ensure costs incurred meet the Provincial Disaster Recovery Program reimbursement criteria.
- We confirmed amounts receivable with the funder.
- We tested amounts received after year-end.
- We tested the disclosure included in the financial statements.

**Audit results**

We obtained sufficient audit evidence to conclude that there were no material misstatements.

## Completeness and cut-off of accounts payable, accruals, contractual obligations disclosed and commitments

### Audit risk

Contracting is decentralized within the Municipality. The ability to enter into contracts resides within several departments. The Municipality contracts with third parties to provide services that satisfy the requirements of the funding source. These contracts are external to the funding agreement and can have additional financial implications. Furthermore, the nature of the Municipality's operations allows for the possibility that there are financial obligations of which the finance department is not yet aware and that have not been recorded in the financial statements.

### Our audit response

- We reviewed management's assessment of liabilities and commitments required to be recorded or disclosed under agreements entered in the year.
- We reviewed a sample of funding contracts entered into in the year to audit management's treatment.
- We tested disbursements made subsequent to year-end so as to ensure they have been accrued for in the correct period.
- We confirmed year-end accounts payable balances with significant suppliers.
- We tested a sample of reconciliations between supplier statements and sub ledger.
- We reviewed management's process to reconcile and record manual electronic fund transfers, transactions, accounts payable and purchase order transactions recorded through "holding" accounts.
- We reviewed the Municipality's process to ensure the completeness of contracts entered into.
- We reviewed information independent of finance to identify contractual agreements.
- We reviewed management's assessment of the impact of the fire on management's estimate of its liability for contaminated sites and commitments required to be disclosed.

### Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

# Other reportable matters

The following summarizes the status and findings of key aspects of our audit. In the appendices to this report, we have provided additional information related to certain matters we committed to report to Council as part of the audit plan.

	Comment		
<b>Changes to the audit plan</b>	The audit was conducted in accordance with our audit plan, which was communicated to Council. We confirm that there have been no significant amendments to the audit scope and approach communicated in the audit plan.		
<b>Use of the work of specialists and experts</b>	As planned, Deloitte specialists and experts assisted in the audit to the extent we considered necessary: <table> <tr> <td><b>IT specialists:</b></td><td>Participated in evaluating internal controls and in using our computerized audit applications</td></tr> </table>	<b>IT specialists:</b>	Participated in evaluating internal controls and in using our computerized audit applications
<b>IT specialists:</b>	Participated in evaluating internal controls and in using our computerized audit applications		
<b>Significant difficulties encountered in performing the audit</b>	We did not encounter any significant difficulties while performing the audit. There were no significant delays in receiving information from management required for the audit nor was there an unnecessarily brief timetable in which to complete the audit.		
<b>Related party transactions</b>	We have not identified any related party transactions that were not in the normal course of operations and that involved significant judgments by management concerning measurement or disclosure.		
<b>Disagreements with management</b>	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the consolidated financial statements.		
<b>Consultation with other accountants</b>	Management has informed us that the Municipality has not consulted with other accountants about auditing or accounting matters.		
<b>Legal and regulatory compliance</b>	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the Municipality, that are not otherwise prohibited to disclosed by law or regulation.		
<b>Subsequent events</b>	At the date of finalizing this report, we are not aware of any significant post balance sheet events.		
<b>Reliance on service organizations</b>	As planned, we used the reports issued by the independent auditors of the third party service organizations employed by the Municipality. Our assessment provided us with sufficient appropriate audit evidence to address the risks of material misstatements in the financial statements		

### Group audit

We are auditors of all entities within the group. No restrictions have been placed on the scope of our audit. In performing the audit, we were given full and complete access to the accounting records, supporting documentation and other information requested.

Component	Materiality	Performance materiality
Regional Municipality of Wood Buffalo (non-consolidated)	\$20,000,000 <sup>1</sup>	\$16,000,000
Regional Municipality of Wood Buffalo Library Board (the "Library")	\$260,000	\$208,000
Wood Buffalo Housing and Development Corporation (the "WBH & DC")	\$6,400,000	\$5,120,000
Regional Recreation Corporation of Wood Buffalo (the "RRC")	\$1,450,000	\$1,160,000

No restrictions have been placed on the scope of our audit. In performing the audit, we were given full and complete access to the accounting records, supporting documentation and other information requested.

<sup>1</sup> Component materiality for audit of the consolidated financial statements of the Regional Municipality of Wood Buffalo. A separate opinion is not issued on the non-consolidated financial statements.

# Appendix 1 – Draft audit report

## Independent Auditor's Report

To the Mayor and members of Council of the  
Regional Municipality of Wood Buffalo

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of the Regional Municipality of Wood Buffalo (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2018, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Municipality'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 Municipality'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 consolidated financial statements 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

(To be signed Deloitte LLP)

Chartered Professional Accountants

Date of the auditor's report

# Appendix 2 – Draft management representation letter

## Regional Municipality of Wood Buffalo

April 9, 2018

### Private and Confidential

Deloitte LLP  
1500 Manulife Place  
10180-101 Street  
Edmonton AB T5J 4K1

Dear Andrew Geary:

**Subject: Consolidated financial statements of the Regional Municipality of Wood Buffalo for the year ended December 31, 2018**

This representation letter is provided in connection with the audit by Deloitte LLP ("Deloitte" or "you") of the consolidated financial statements of the Regional Municipality of Wood Buffalo (the "Municipality" or "we" or "us") for the year ended December 31, 2018, and a summary of significant accounting policies and other explanatory information (the "Financial Statements") for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Municipality in accordance with Canadian Public Sector Accounting Standards ("PSAS").

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the Municipality and Deloitte dated October 15, 2016 and the confirmation letter dated January 24, 2019 for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Municipality as at December 31, 2018 and the results of its operations and cash flows for the years then ended in accordance with PSAS.
2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with PSAS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with.



The Municipality has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the municipality.

No events have occurred subsequent to December 31, 2018 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. The Municipality has identified all related parties in accordance with Section PS 2200 Related Party Disclosures ("PS 2200")
4. We have determined that the Financial Statements are complete as of the date of this as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
5. We have completed our review of events after December 31, 2018 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
6. The Financial Statements are free of material errors and omissions.

We believe that the effects of any uncorrected Financial Statement misstatements pertaining to the current period presented, are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole. A list of the uncorrected misstatements aggregated by you is attached in Appendix A.

As a result of our evaluation process, we identified certain disclosures that, although required by PSAS, have been omitted from our Financial Statements. Those omitted disclosures that are more than inconsequential are as follows:

- In accordance with PS 1200, *Financial Statement Presentation*, financial statements should present a comparison of current period amounts with those of prior periods. The Municipality has not included a prior period continuity schedule related to tangible capital assets in their note disclosures in the Financial Statements for the current year.
- The Municipality has not quantified amounts included in accounts payable and accrued liabilities that related to the tangible capital assets acquisition. As a result the Municipality has misstated cash from operating activities and cash applied to the capital activities in the consolidated statement of cash flows.
- The Municipality has not presented the purchase and sale of investments on a gross basis on the consolidated statement of cash flows.

We believe the effects of the omitted disclosures are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the Financial Statements as a whole.

#### **Internal Controls**

7. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
8. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.



**Information provided**

9. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
  - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and,
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
10. Except as listed in Appendix A, all transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
11. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the Financial Statements.
13. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the Municipality.
14. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
15. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration and participation in a defined benefit plan that shares risks between group entities.
16. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.

**Independence matters**

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

17. Prior to the Municipality having any substantive employment conversations with a former or current Deloitte engagement team member, the Municipality has held discussions with Deloitte and obtained approval from management.
18. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by those charged with governance in accordance with its established approval policies and procedures.

**Other matters**

19. The comparative information in the Financial Statements, including the statement of financial position as at December 31, 2018, and the financial performance and cash flows for the year ended December 31, 2017 and related disclosures, has been properly restated to correct a misstatement in the comparative period financial information.

20. The Municipality has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.
21. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
22. We have disclosed to you, and the Municipality has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
23. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.
24. Management has completed its assessment of the ability of the Municipality to continue as a going concern and in making its assessment did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the Municipality's ability to continue as a going concern, which would require disclosure in the Financial Statements. In assessing whether the going concern assumption is appropriate, management took into account all available information about the future, which is at least, but is not limited to, 12 months from the statement of financial position date, their plans for future action and the feasibility of these plans.
25. All internally restricted funds as well as restricted cash have been specifically identified and separated so as to only use the related funding and cash amounts for their intended purpose.
26. We have disclosed to you all communications from:
  - a. taxation authorities concerning assessments or reassessments that could have a material effect on the Financial Statements; and
  - b. regulatory agencies concerning non-compliance with or potential deficiencies in, financial reporting requirements. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
27. We have communicated to you all deficiencies in internal control of which we are aware. We have disclosed to you any change in the Municipality's internal control over financial reporting that occurred during the current year that has materially affected, or is reasonably likely to materially affect, the Municipality's internal control over financial reporting.

#### **Management's responsibilities**

28. All transactions and events have been carried out in accordance with law, regulation or other authority.

#### **Loans and receivables**

29. The Municipality is responsible for determining the appropriate carrying amount of loans and accounts receivable, as well as estimates used to determine such amounts. Management believes that the carrying amounts recorded and disclosed are appropriate.
30. We believe that the recorded balances in accounts receivable related to the wildfire event are collectible.

#### **Inventories**

31. The Municipality is responsible for determining the appropriate carrying amount of inventories. All inventories are the property of the Municipality and do not include any items consigned to it, any items billed to customers, or any items for which the liability has not been recorded.

**Environmental liabilities/contingencies**

32. We have considered the effect of environmental matters on the Municipality and have disclosed to you all liabilities, provisions or contingencies arising from environmental matters. All liabilities, provisions, contingencies and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Financial Statements.
33. We have evaluated and assessed all of our tangible capital assets and identified the sites listed in Note 10, as contaminated sites. We have recorded a liability because the contamination of the site exceeds relevant environmental standards, the Municipality is responsible for the remediation and we believe it is expected that remediation will be required. We believe that the estimate of the liability is reasonable and is our best estimate of the amount required to remediate the sites.
34. We have disclosed to you any instances in which a reasonable estimate of the liability cannot be made and have appropriately disclosed the nature and potential effect on the Municipality's Financial Statements when the liability becomes measurable.
35. We have not identified any specific environmental or contingent liabilities as a result of the 2016 wildfire.

**Solid waste landfill closure and post-closure liability**

36. We have disclosed to you all operating and closed solid waste landfill sites that we own. We have recorded a liability which represents our best estimate of the future costs required for closure and post-closure care related to these sites.

**Employee future benefits**

37. Employee future benefit costs, assets and obligations, as applicable, have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, obligations and costs for financial statement purposes are appropriate in the circumstances.
38. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension plans to which we contribute.
39. We have appropriately assessed, recorded and adequately disclosed in the Financial Statements Note 9(f) all employee future benefits related to the "Home equity protection program". We have disclosed to you the list of approved participating employees and the related aggregate secured property values.

**Revenues**

40. We have fully disclosed to you all sales terms, including all rights of return or price adjustments.
41. All documentation related to sales transactions is contained in files which are used for accounting purposes. We also confirm that:
- a. We are not aware of any "side agreements" with any companies that are inconsistent with the applicable sales agreement, the customer's purchase order, sales invoice, or any other documentation contained in the files which are used for accounting purposes. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise, or commitment whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral by or on behalf of the Municipality (or any subsidiary, director, employee, or agent of the Municipality) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of the Municipality delivered to or generated by the Municipality's Finance Department.

The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of the Municipality that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance, or exchange rights would be a side agreement.

- b. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the files which are used for accounting purposes.
- c. All endowment contributions have been treated as direct increases in net assets; and
- d. Contributions that are restricted have been deferred and will be recognized in revenue in the period the stipulations of the agreement are met.

#### **Tax revenues**

- 42. We have appropriately recorded tax assets and revenues when they meet the definition of an asset in accordance with Section PS 1000, *Financial Statement Concepts*, when they are authorized and when the taxable event occurs. These amounts have been appropriately measured in accordance with PS 3510, *Tax Revenue*, and have not been grossed up for any amount of tax concessions.

#### **Government transfers**

- 43. We have disclosed to you all correspondence relating to government transfers that the Municipality has had with the funding body.
- 44. We have assessed the eligibility criteria and determined that the Municipality is an eligible recipient for the government transfers received.
- 45. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.
- 46. All government transfers that have been recorded as deferred revenue give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements.
- 47. All authorized transfers that have been expensed have been transferred to recipients whom have met the eligibility criteria.

#### **Work of management's experts**

- 48. We agree with the work of management's experts in evaluating the valuation of employee future benefits, donated tangible capital assets, liability for contaminated sites, the quantification of potential legal claims and the determining of assets available for use. We have adequately considered the qualifications of the specialist in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the specialists.

#### **Plans or intentions affecting carrying value/classification of assets and liabilities**

- 49. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

#### **Accounting policies**

- 50. The accounting policies selected and application of those policies are appropriate.
- 51. The Municipality's accounting policies and their method of application have been applied on a basis consistent with that of the audited Financial Statements as of and for the year ended December 31, 2017, with the exception of the adopted PSAS standards in the current year of PS 3210, PS 3320, PS 3380, PS 3420 and PS 2200.

52. The Municipality has adopted the PSAS standards as disclosed in Note 1 of the Financial Statements, and is responsible for the adoption, determination of the impact of adopting those standards, and appropriate disclosure in the Financial Statements therein.

#### **Adjusting journal entries**

53. We have reviewed and approved the year-end adjusting entries, including all related supporting schedules, and the Financial Statements and acknowledge our responsibility for their accuracy. While discharging our responsibility we may have requested your assistance or input in certain areas such as:
- Recording of transactions for which we have determined or approved the appropriate account classification;
  - Posting transactions to the general ledger;
  - Preparing financial statements; and
  - Posting journal entries to the trial balance.

We acknowledge our responsibility for the above listed items and confirm that we have authorized, reviewed and approved all of the above items.

#### **Investments**

54. All investments have been appropriately classified as temporary investments or portfolio investments.
55. With regard to the Municipality's investments, we have disclosed to you any events that have occurred and facts that have been discovered with respect to such investment that would indicate impairment of the investment's value.
56. The Municipality does not hold any investments in Master Asset Vehicle notes (which replaced third party non-bank asset-backed commercial paper).

#### **Expenditures deferred to future periods**

57. We believe that our expenditures that have been deferred to future periods are recoverable.

#### **Tangible capital assets**

58. Tangible capital assets have been recorded properly and consistently according to the standards in Section PS 3150, *Tangible Capital Assets*.
59. Contributed tangible capital assets have been appropriately recorded at fair value, unless fair value is not reasonably determinable, and in such case, have been recorded at an appropriate nominal value. All contributed tangible capital assets have been appropriately disclosed.
60. We have assessed the useful lives of tangible capital assets and have determined all tangible capital assets contribute to the Municipality's ability to provide goods and services, and therefore, do not require a write down.

#### **Long-lived assets**

61. With respect to the Municipality's long-lived assets, we have recognized and recorded the fair value of all legal obligations associated with the retirement of those related assets.

#### **Reserves**

62. All contributions to, and withdrawals from, reserves have been approved by Council. The reserves recorded in the financial statements are accurate and complete.
63. We have disclosed to you and have appropriately reflected in the Financial Statements all external restrictions on resources.



**Segment disclosures**

64. Management believes that we have appropriately identified and disclosed all operating segments in accordance with requirements of CPA Canada Public Sector Accounting Handbook Section PS 2700, *Segment Disclosures*.

**Various matters**

65. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:

- a. losses arising from sale and purchase commitments;
- b. economic dependence on another party;
- c. agreements to buy back assets previously sold;
- d. provisions for future removal and site restoration costs;
- e. financial instruments with significant individual or group concentration of credit risk and related maximum credit risk exposure;
- f. sales with recourse provisions;
- g. sales incentives, including cash consideration provided to customers and vendor rebates;
- h. arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements;
- i. all impaired loans receivable; and
- j. loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

**Independence matters**

For purposes of the following paragraph, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

66. Prior to the Municipality having any substantive employment conversations with a former or current Deloitte engagement team member, the Municipality has held discussions with Deloitte and obtained approval from Council.

67. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by Council in accordance with its established approval policies and procedures.

Yours truly,

**Regional Municipality of Wood Buffalo**

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Signatory

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Signatory

## Appendix A

### Summary of uncorrected financial statement misstatements Year ended December 31, 2018

No.	Description	Error Identified	Error Type	Financial Statement Line Impact	Financial Assets	Liabilities	Non-financial Assets	Accumulated Surplus	Revenue	Expenses
					Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
	Projects that are substantially complete have not been transferred from AUC to TCA.	Reclassification of Non-Financial Assets from AUC to TCA	Factual	Tangible Capital Assets	-	-	58,144,897	-	-	-
	Projects that are substantially complete have not been transferred from AUC to TCA.	Reclassification of Non-Financial Assets from AUC to TCA	Factual	Tangible Capital Assets	-	-	(58,144,897)	-	-	-
1	Projects that are substantially complete have not been transferred from AUC to TCA.	Current year amortization on Reclassified Non-Financial Assets	Factual	Amortization	-	-	(1263,561)	-	-	1263,561
	Projects that are substantially complete have not been transferred from AUC to TCA.	Prior year amortization on Reclassified Non-Financial Assets	Factual	Accumulated Surplus	-	-	(440,794)	440,794	-	-
2	Deloitte noted that there was a large "clean-up" done of additions to TCA in 2018. The Municipality made the catch up entries in the current year so that accumulated surplus would be corrected moving forwards, but because everything was corrected in the current year there is an overstatement of amortization expense in the current year.	Correction of Amortization clean up in wrong period	Factual	Amortization Expense Accumulated Surplus	-	-	-	4,529,851	-	(4,529,851)
3	Through disposal testing, there were a few disposals that should have been recorded in prior years, but were recorded as disposed in 2018. The related loss was overstated in the current year.	Overstatement of prior year assets (Gain/Loss Impact)	Factual	Gain/Loss on Disposal Accumulated Surplus	-	-	-	12,17,975	-	(12,17,975)
4	Carry-over effect of prior year factual, judgmental and projected errors.				-	-	5,883,405	(5,883,405)	-	-
<b>Subsidiaries</b>										
<b>RRC, WBH&amp;DC and Library</b>										
<b>No unadjusted amounts identified.</b>										
<b>Impact of Prior Year</b>										
<b>Total Factual Misstatements</b>					-	-	5,883,405	(5,883,405)	-	(4,484,265)
<b>Total Projected Misstatements</b>					-	-	(1704,355)	6,188,620	-	-
<b>Total Judgmental Misstatements</b>					-	-	-	-	-	-
<b>Total</b>					\$ -	\$ -	\$ 4,179,050	\$ 305,215	\$ -	\$ (4,484,265)



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# **Regional Municipality of Wood Buffalo Library Board**

## **Financial Statements for the year ended December 31, 2018**

### **Prepared for Council Meeting**

Presenter: Melissa Flett, Director  
Amanda MacPherson, Chair

Date: April 9, 2019



The library had 3,650  
open hours in 2018!



The library participated in  
39 promotional events



Where 3,144 people  
heard our message



The library has 27 public  
computers



They were in use a  
total of 19,323 hours



We lent out our items to  
libraries outside of our  
system 2,340 times



9,623 people have a card  
at our library



250,339 people walked  
through our doors last year



In addition to 105,242  
website visits



And brought in 1,143  
items upon patron  
request



We offered 900  
programs for kids



308 for adults  
and seniors



And 63 for  
families



34,397 people  
attended in total



Our service is delivered  
by 57 dedicated staff



The library added 17,458  
new items last year!



Bringing the total  
collection to 188,422



There were 42,254  
downloads of e-Content



Contributing to a total of  
267,010 checkouts!



And 59 amazing  
achievements

# 2018 Output Measures

- 250,000 in person visits to the Library **↑ 1.4%**
- 19,150 new items added to our collection **↓ 8.8%**
- 230,000 items circulated **↑ 16.1%**
- 78,000 reference questions answered **↑ 26.6%**
- 1,271 programs offered and 34,026 participants **↓ 24.9% / ↓ 7.5%**
- 389 rural visits **↑ 155.9%**
- 24,000 computer workstation sessions **↑ 18.5%**

# *What makes WBRL super?*

- *It meets the needs and expectations of our community by providing so many great programs and events for all age groups. Nobody gets left out! It is one of my favorite places to bring my kids in Fort McMurray.*
- *WBRL consists of undeniably affecting books, games, and movies; an individual can gain insight on different cultural values, beliefs, and worldviews (including the Aboriginal people of Canada) and can excel at their studies as the availability of books of education flourishes.*



# Statement of Financial Position

For the year ended December 31, 2018

(in thousands)

	<b>2018</b>	<b>2017</b>
Current Assets	2,930	2,508
Non-Financial Assets	1,654	1,603
Liabilities	1,084	427
Net Assets	3,500	3,684



# Statement of Operations Summary

For the year ended December 31, 2018

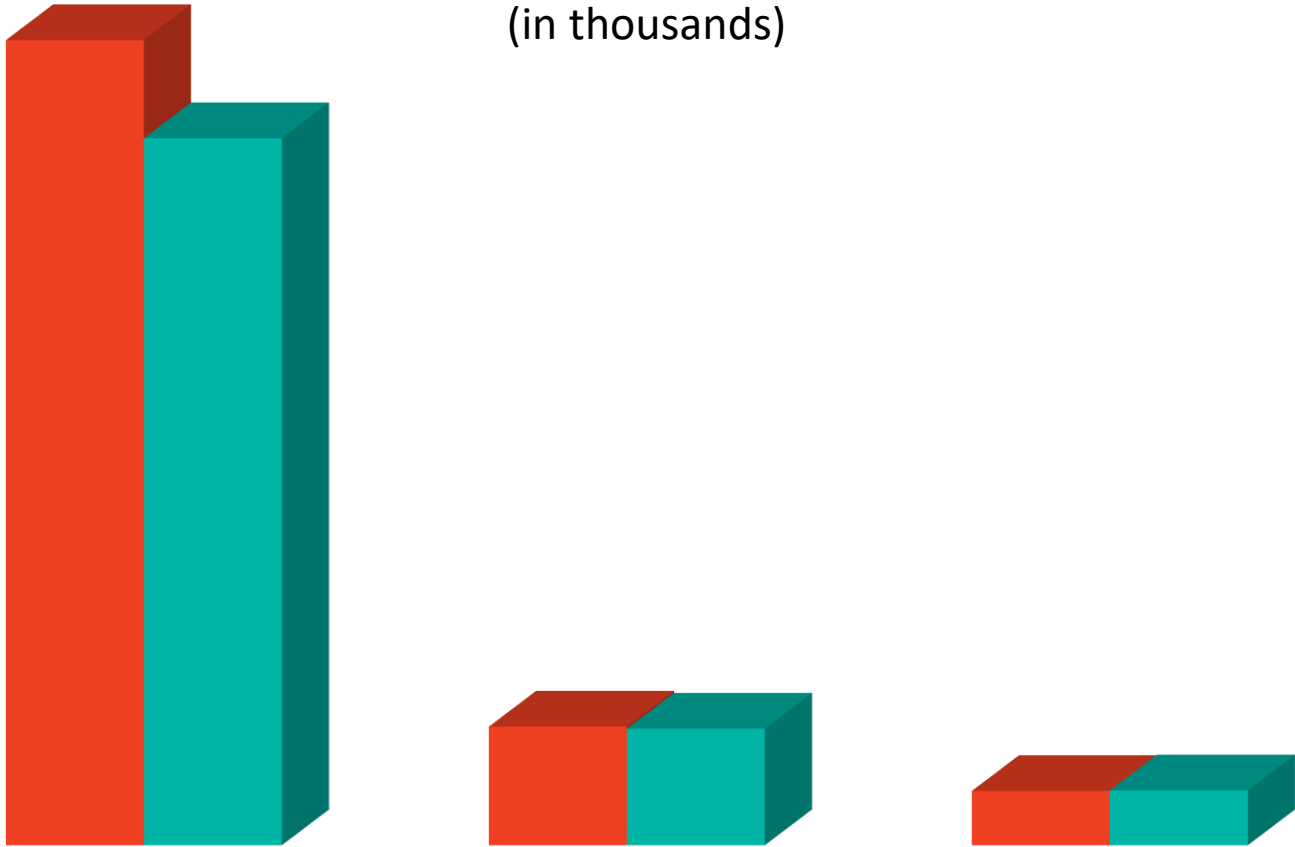
(in thousands)

	<b>2018</b>	<b>2017</b>
Revenues	5,230	5,823
Expenses	5,413	5,728
Surplus/(Deficit)	(183)	95



# Revenue Sources

(in thousands)



	RMWB Operating Grant	Provincial Grant	Other income
2017	4,794	706	323
2018	4,210	694	326



# Operating Expenses

(in thousands)



Wages and  
Benefits

Rent

Amortization

General  
Operations

Program &  
Events

Library  
Services

2017

3,805

530

594

398

243

158

2018

3,725

557

424

332

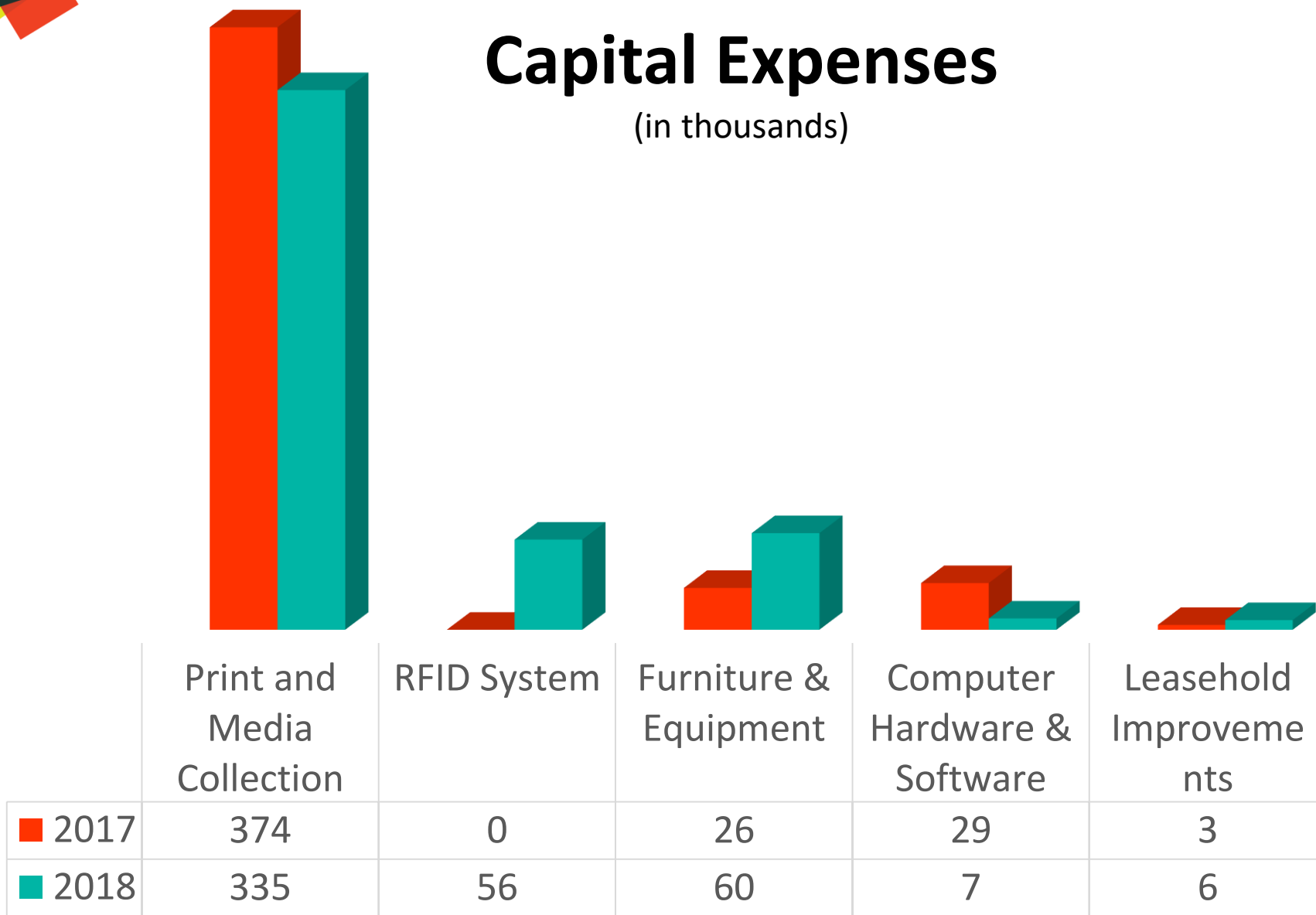
216

159



# Capital Expenses

(in thousands)





**wood buffalo regional library**

On behalf of the **Regional Municipality of Wood Buffalo Library Board** and the **management and staff** at **Wood Buffalo Regional Library**, we wish to **"Thank You"** for your ongoing support!

## RMWB Financial Statement Presentation

Tuesday April 9, 2019

# ONE Team *Focus*

6.1.d

Attachment: RRC 2018 Financial Presentation (2018 Audited Consolidated Financial

regional recreation  
CORPORATION  
of wood buffalo

Packet Pg. 100



# Partnership *Focus*

6.1.d

Attachment: RRC 2018 Financial Presentation (2018 Audited Consolidated Financial



# Customer Experience Focus

regional recreation  
CORPORATION  
of wood buffalo

6.1.d

Attachment: RRC 2018 Financial Presentation (2018 Audited Consolidated Financial

Packet Pg. 102

# 2018 Financial Position Highlights

- Total Assets of \$32M vs. \$35.2M 2017
  - Decrease in cash of \$(2.5M)
  - Increase of prepaid expenses and deposits \$0.6M
  - Decrease of capital assets \$(1.2M)
- Total Liabilities of \$29.6M vs. \$32.8M
  - Increase of deferred revenue of \$0.6M
  - Decrease of due to the RMWB of \$(1.6M)
  - Decrease of capital contributions of \$(0.7M)
  - Decrease of unamortized deferred capital contributions of \$(1.4M)
- Net Assets flat at \$2.4M

# 2018 Statement of Operations Highlights

- Total Revenues decrease of \$(4.1M) vs. 2017
  - Operating grant funding flat
  - Amortization of deferred capital contributions decrease of \$(2.9M)
  - Events decrease of \$(1.1M)
- Cost of Goods Sold decrease of \$(1.2M) vs. 2017
  - Events decrease of \$(1.2M)
- Expenses decrease of \$(2.7M) vs. 2017
  - Wages and benefits flat
  - Amortization of capital assets decrease of \$(2.8M)
  - Utilities and insurance increase of \$0.3M each
  - Security and bad debt decrease of \$0.1M each
- Surplus/Deficit \$0



Thank You



# Presentation to the RMWB Audit Committee

AUDITED FINANCIAL STATEMENTS  
For the Period Ended December 31, 2018



# WOOD BUFFALO HOUSING

## VISION STATEMENT

**Wood Buffalo is a region where everyone has access to safe and affordable housing**

## MISSION STATEMENT

**We collaborate to pursue safe and sustainable housing solutions for the people of our region**



# Background:

- Incorporated in 2001 with a one-time municipal grant of \$450,000.
- Our programs:
  - Self Funded:
    - Affordable Housing- 10% below market rates
    - Rural Housing
  - Provincially Funded:
    - Seniors Self-Contained
    - Community Housing
    - Rent Supplement Program
    - Homeless Shelter
  - Lodges (Municipally funded)

Wood Buffalo Housing has helped over 7,000 individuals, families and seniors with low and middle incomes to find well-built, well-maintained affordable housing in Wood Buffalo





# Housing Portfolio:

Location	Deficit Funded			Self Funded	Total Units
	Community Housing	Community Housing Seniors Self Contained	Lodge Operations	Affordable	
Fort McMurray	49	30	39	1190	1308
Anzac	1	4			5
Conklin				16*	16
Janvier				9	9
Fort Chipewyan	2	10	15**	5*	17
Fort McKay					0
Fort Fitzgerald					0
Total	52	44	39	1220	1355
* Numbers include 4 new units in Conklin and 5 new units in Fort Chipewyan					
** Fort Chipewyan Lodge is not operational therefore the numbers are not included in the totals.					



# Fiscal Year 2018:

## Affordable Rentals

- Self funded, revenues must cover costs and required debt payments

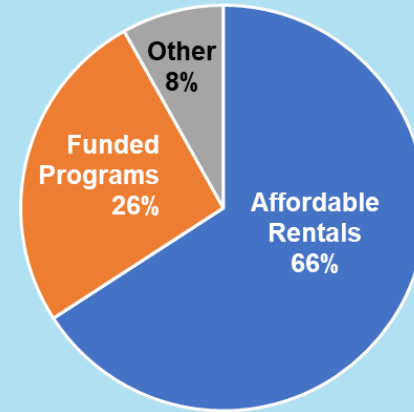
## Funded Programs – Deficit Funded

- Housing for low income individuals, families and seniors
- Rent subsidies
- Homeless Shelter

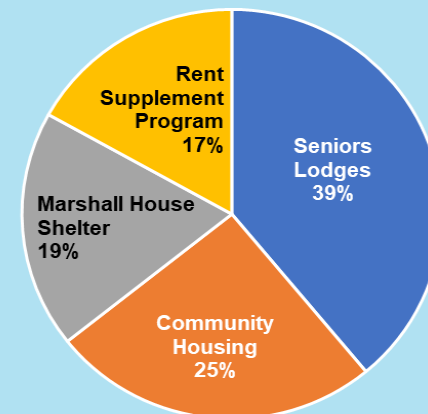
## Other

- Commercial rentals
- Affordable Home Ownership
- Investment income

Total Revenues



Revenues - Funded Programs



# Fiscal Year 2018:

Wood Buffalo Housing continues to feel the effects of lower population due to unfavourable economic conditions in the region:

Impact:

- Continuing higher than normal vacancy rates
  - Average 2018: 16.8%, 2017: 18.2%, 2016: 33.6%
- Rental rates lower in the market, our rates minimum 10% below market
- Fiscal 2018 finished with a deficit of \$0.9M
  - Operations deficit was (\$2M), budgeted deficit (\$2.1M)
  - Offset by \$1M net wildfire insurance proceeds/settlement



# Consolidated Statement of Financial Position

## As at December 31, 2018

		2018	2017	
<b>Assets</b>				
Current assets	Net collection ins claims, sale of 5 units held in our affordable home ownership program	\$ 49,477,899	\$ 51,454,118	-3.8% (\$2.0M)
Capital assets	Amortization (\$7.2M), invested \$1.0M	247,796,723	253,999,766	-2.4% (\$6.2M)
Long-term assets	\$19.6M grant funding used to pay LTD	21,981,378	41,353,292	-46.8% (\$19.6M)
<b>Total Assets</b>		<b>\$ 319,256,000</b>	<b>\$ 346,807,176</b>	<b>-7.9% (\$27.6M)</b>
<b>Liabilities and Net Assets</b>				
Current liabilities		\$ 11,777,167	\$ 12,979,037	
Long-term liabilities		177,828,049	203,246,794	-12.5% (\$25.4M)
<b>Total liabilities</b>		<b>189,605,216</b>	<b>216,225,831</b>	
<b>Net Assets</b>		<b>129,650,784</b>	<b>130,581,345</b>	
<b>Total Liabilities and Net Assets</b>		<b>\$ 319,256,000</b>	<b>\$ 346,807,176</b>	





# Consolidated Statement of Operations

## Year ended December 31, 2018

		2018	2017	
<b>Revenues:</b>				
Property sales (net)		\$ 64,827	\$ 287,701	
Rental properties revenues	Ave vacancy 16.8%, 2017- 18.2%, lower rates	14,861,383	15,015,202	-0.2M, -1.0%
Rent supplement revenue		4,670,687	4,687,602	
Operating grants, contributions, donations		3,160,091	3,481,768	
Other income	Utilities (full year), Investment & grant income	7,053,457	4,843,515	+2.2M, +45%
Municipal requisitions		2,163,505	2,002,257	
		<b>\$ 31,973,950</b>	<b>\$ 30,318,045</b>	+\$1.7M, 5%
<b>Expenses:</b>				
Amortization		7,229,811	7,130,389	
Wages and benefits		9,606,444	9,610,199	
Interest on long-term debt	One-time penalty on pay down of LTD	3,859,344	3,564,037	+0.3M, +8%
Operating expenses		2,366,717	2,529,835	
Utilities	Full year all units, electricity pricing	3,857,332	2,345,408	+1.5M, +64%
Repairs and maintenance		1,777,829	2,003,850	
Property taxes and insurance		2,744,084	2,737,460	
Rent supplement transfers to other landlords		1,406,760	1,441,924	
Office and administrative	Overhead cost reduction	1,084,253	1,676,597	+0.6M, +35%
		<b>33,932,574</b>	<b>33,039,699</b>	+\$0.9M, 2%
Deficit before the undernoted		<b>(1,958,624)</b>	<b>(2,721,654)</b>	
Net wildfire remediation and recovery		(981,663)	(1,166,011)	
Insurance settlement - Edgewater Court fire lawsuit		-	(2,950,000)	
Valuation losses on real property inventory and mortgages receivable		-	1,000,000	
Insurance proceeds for property loss due to fire		(46,400)	-	
Gain on disposal of property and equipment		-	(109,116)	
	Wildfire recoveries	(1,028,063)	(3,225,127)	2018 Bud
<b>(Deficiency) excess of revenues over expenditures</b>		<b>\$ (930,561)</b>	<b>\$ 503,473</b>	(\$2.1M)

# Consolidated Statement of Cash Flows

## Year ended December 31, 2018

		2018	2017
Operating Activities:			
	(Deficiency) excess of revenues over expenditures	\$ (930,561)	\$ 503,473
	Items not involving cash	7,619,518	1,570,963
	Adjust deficit for non-cash items	6,688,957	2,074,436
Financing Activities	Principal repayments long-term debt	(22,680,665)	(3,702,495)
Capital Activities	Investment in capital assets	(980,368)	(1,314,083)
Investing Activities	Restricted funding used to pay down LTD	19,202,695	(573,672)
	Decrease in cash and cash equivalents	2,230,619	(3,515,814)
	Cash and cash equivalents, beginning of year	7,185,754	10,701,568
	Cash and cash equivalents, end of year	\$ 9,416,373	\$ 7,185,754



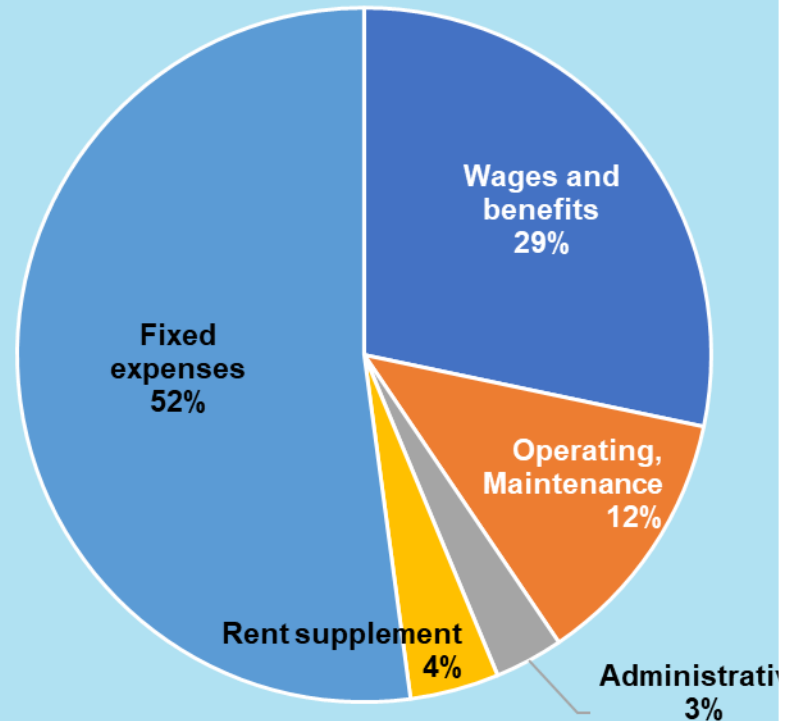
# Expenses

## Year ended December 31, 2018

	2018		2017
<b>Expenses</b>			
Wages and benefits	\$ 9,606,444		\$ 9,610,199
Operating, Maintenance	4,144,546		4,533,685
Administrative	1,084,253		1,676,597
Rent supplement	1,406,760		1,441,924
	<b>16,242,003</b>	<b>47.9%</b>	<b>17,262,405</b>
<b>Fixed expenses</b>			
Amortization, interest	11,089,155		10,694,426
Utilities	3,857,332		2,345,408
Property taxes, insurance	2,744,084		2,737,460
	<b>17,690,571</b>	<b>52.1%</b>	<b>15,777,294</b>
<b>Total expenses</b>	<b>\$33,932,574</b>	<b>100.0%</b>	<b>\$33,039,699</b>

Pay down of long term debt will provide future annual savings in debt service of approximately \$1M.

Breakdown of Expenses



# 2019 - 2021

## Strategic Priorities:

- ✓ Financial Sustainability
- ✓ Excellence in Customer Service
- ✓ Strategic Stakeholder Engagement

## Waitlist status:

- 200 vacant Affordable housing units, no wait list
- Wait list of 162 for social housing. Additional funding from the Province of Alberta is required to reduce this waitlist



# 2019 - 2021

## Continuing challenges:

- High vacancy - Population projections flat in the foreseeable future
- Low rental rates – must be at least 10% below market, and be flexible to remain the affordable option
- Renter's market – expectation for low rates and high customer service

## Work done to date:

- Net eliminations of management positions and overhead costs
- Social media presence to ensure the community is aware of WBH
- Pay down of long-term debt with approval to use grant funding

## Going forward

Financial Sustainability must be our focus. We are currently working on a change to our operating model to further this goal.





# Questions?





## COUNCIL REPORT

Meeting Date: April 9, 2019

### **Subject: 2018 Non-Consolidated Financial Statements**

#### **APPROVALS:**

**Annette Antoniak**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Administrative Officer

#### **Recommended Motion:**

THAT Council accept the 2018 Non-Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ended December 31, 2018 as information.

#### **Summary:**

The *Municipal Government Act* requires that every Alberta municipality prepare and submit a Financial Information Return and Audited Financial Statements by May 1 of each year for the preceding year. The consolidated financial statements, to be submitted to the Province, will include information for subsidiaries; the Regional Recreation Corporation, Wood Buffalo Housing Development Corporation, Regional Municipality of Wood Buffalo Library Board and the Wood Buffalo Economic Development Corporation. In advance of submitting consolidated financial information, Administration is presenting information specific to municipal operations prior to consolidation. This format allows for each subsidiary to provide information and speak to highlights specific to their operations.

#### **Background:**

Administration is responsible for the preparation of the financial statements which are audited by Deloitte LLP. Highlights of the non-consolidated financial statements, municipal operations only, are presented for the fiscal year ended December 31, 2018 as information and in advance of final presentation of the consolidated audited report.

#### **Budget/Financial Implications:**

The revenues to December 31, 2018 are \$857.4 million, a 3.2% decrease from prior year. Net Property tax revenue decreased by \$49 million; sales and user charges increased due to the utility rate increase and investment income increased due to favourable rates in the market.

The expenses to December 31, 2018 are \$533.0 million a 20% from 2017 expenses. Overall Salaries, wages and benefits were decreased in 2018 due to reductions in

overtime spending, reductions in positions through attrition and vacant positions not being filled. As a result of continued ongoing internal reviews for savings opportunities reductions were found in the contracted and general services, materials, goods, supplies and utilities categories. Purchases from other governments were decreased due to lower charges for RCMP services and change in billing method for RCMP overtime.

The Municipality completed the year with a \$64.5M operating surplus which has been transferred to reserves as per Fin-160.

A \$24 million restatement of the 2017 Tangible Assets was concluded.

**Rationale for Recommendation:**

The non-consolidated financial statements are presented to provide visibility and transparency on the financial position of the Regional Municipality of Wood Buffalo as a separate entity in advance of consolidation with the other municipal subsidiaries; the Regional Recreation Corporation, Wood Buffalo Housing Development Corporation, Wood Buffalo Economic Development Corporation and Regional Municipality of Wood Buffalo Library Board.

**Strategic Priorities:**

Responsible Government

**Attachments:**

**1. 2019 Non-Consolidated Financial Statements**

**2. Q4 2018 Financial Performance Report**

**2018 Non-Consolidated Financial Statement Presentation**



Non-Consolidated Financial Statements of

# **REGIONAL MUNICIPALITY OF WOOD BUFFALO**

Year ended December 31, 2018

**Non-Consolidated Financial Statements of**  
**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

**Year ended December 31, 2018**

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Non-Consolidated Statement of Operations and Accumulated Surplus.....	4
Non-Consolidated Statement of Change in Net Financial Assets .....	5
Non-Consolidated Statement of Cash Flows .....	6
Notes to Non-Consolidated Financial Statements .....	7-39

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Non-Consolidated Statement of Financial Position**

December 31, 2018

	2018	2017
		(Restated - Note 24)
<b>Financial assets</b>		
Cash	\$ 89,468,425	\$ 23,082,497
Taxes and grants in lieu receivable (Note 2)	10,164,457	7,242,336
Trade and other receivables (Note 3)	70,242,262	49,142,203
Investments (Note 4)	1,118,735,857	932,427,774
	1,288,611,001	1,011,894,810
<b>Liabilities</b>		
Accounts payable and accrued liabilities	69,657,711	94,364,436
Deposit liabilities	6,996,762	6,906,392
Deferred revenue (Note 5)	82,244,148	110,753,325
Employee benefit obligations (Note 6)	15,595,566	15,517,564
Contaminated sites liability (Note 7)	1,839,866	652,740
Provision for landfill closure and post-closure obligation (Note 8)	13,974,378	13,238,757
Long-term debt (Note 9)	265,421,406	282,722,342
	455,729,837	524,155,556
<b>Net financial assets</b>	832,881,164	487,739,254
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	3,976,680,288	3,926,249,077
Consumable inventories	4,159,215	5,879,819
Prepaid expenses	2,607,432	2,279,421
	3,983,446,935	3,934,408,317
<b>Accumulated surplus (Note 12)</b>	<b>\$ 4,816,328,099</b>	<b>\$ 4,422,147,571</b>

Contractual rights (Note 16)

Commitments and contingent liabilities (Note 17)

See accompanying notes to non-consolidated financial statements.

**Approved by:**

\_\_\_\_\_  
Linda Ollivier, CPA, CMA  
Director, Financial Services

\_\_\_\_\_  
Annette Antoniak  
Chief Administrative Officer

Attachment: 1. 2019 Non-Consolidated Financial Statements (2018 Non-Consolidated Financial Statements)

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Non-Consolidated Statement of Operations and Accumulated Surplus**

For the Year Ended December 31, 2018

	Budget	2018	2017
	(Note 21)		(Restated - Note 24)
<b>Revenue:</b>			
Net taxes available for municipal purposes (Note 13)	\$ 672,728,941	\$ 680,883,086	\$ 730,069,821
Government transfers for operating (Note 14)	12,833,815	41,393,369	53,016,339
Sales and user charges (Note 20)	44,994,740	49,172,069	62,198,759
Sales to other governments	2,596,471	2,609,849	3,459,778
Penalties and costs on taxes	4,312,300	5,294,952	2,804,034
Licenses and permits	3,470,400	4,919,628	2,972,525
Fines	3,040,000	3,560,958	4,928,587
Franchise and concession contracts	7,919,000	7,875,171	7,802,627
Returns on investments	17,396,000	22,550,635	17,738,969
Rentals	1,475,300	2,039,247	1,810,319
Developers' agreements and levies (expenses)	-	21,017,127	(2,138,881)
Other	185,500	9,042,976	1,760,886
Gain on disposal of tangible capital assets	-	7,053,598	-
	770,952,467	857,412,665	886,423,763
<b>Expenses: (Note 15)</b>			
Council and other legislative	1,628,445	1,054,892	1,413,181
General administration	75,254,109	96,890,984	192,333,352
Other general government	37,182,685	45,190,032	20,716,275
Police	37,978,200	35,584,449	37,504,376
Fire	30,835,798	32,522,168	35,084,990
Disaster and emergency measures	975,630	1,445,562	3,602,922
Ambulance and first aid	8,605,400	8,322,175	8,585,914
Bylaws enforcement	9,010,337	8,913,344	10,124,772
Common and equipment pool	20,590,773	24,087,672	28,204,086
Roads, streets, walks, lighting	31,633,070	53,805,227	48,151,323
Public transport	20,056,950	29,460,935	26,465,288
Storm sewers and drainage	934,400	3,718,164	3,921,113
Water supply and distribution	20,171,862	41,205,462	67,796,299
Wastewater treatment and disposal	19,321,566	36,606,600	19,731,540
Waste management	15,486,605	15,947,981	16,357,047
Family and community support	25,791,386	26,146,889	30,548,342
Cemeteries and crematoriums	500,451	851,135	251,963
Land use planning, zoning and development	14,896,430	11,434,822	11,771,318
Public housing operations	-	-	197
Land, housing and building rentals	4,666,000	4,811,075	7,102,141
Recreation boards	40,000	40,777	38,090
Parks and recreation	31,240,923	50,438,376	66,033,792
Culture: libraries, museums, halls	5,318,500	4,562,874	5,094,130
Other	-	-	(1,509,848)
	412,119,520	533,041,595	639,322,603
Annual surplus before other	358,832,947	324,371,070	247,101,160
Other:			
Contributions of tangible capital assets	-	6,167,889	29,866,617
Government transfers for capital (Note 14)	44,155,127	63,641,569	50,131,515
Annual surplus	402,988,074	394,180,528	327,099,292
Accumulated surplus, beginning of year	4,422,147,571	4,422,147,571	4,095,048,279
Accumulated surplus, end of year	\$ 4,825,135,645	\$ 4,816,328,099	\$ 4,422,147,571

See accompanying notes to non-consolidated financial statements.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Non-Consolidated Statement of Change in Net Financial Assets**

For the Year Ended December 31, 2018

	<b>Budget</b>	<b>2018</b>	<b>2017</b>
	(Note 21)		(Restated - Note 24)
<b>Annual surplus</b>	\$ 402,988,074	\$ 394,180,528	\$ 327,099,292
Acquisition of tangible capital assets	(251,649,356)	(157,404,813)	(199,429,148)
Contributions of tangible capital assets	-	(6,167,889)	(29,866,617)
(Gain) loss on disposal of tangible capital assets	-	(7,053,598)	2,222,734
Amortization of tangible capital assets	-	111,729,348	111,000,844
Proceeds on disposal of tangible capital assets	-	8,465,741	2,820,360
	151,338,718	343,749,317	213,847,465
Acquisition of consumable inventories	-	-	(1,642,278)
Use of consumable inventories	-	1,720,604	-
Acquisition of prepaids expenses	-	(328,011)	(329,175)
	-	1,392,593	(1,971,453)
<b>Increase in net assets</b>	151,338,718	345,141,910	211,876,012
<b>Net financial assets, beginning of year</b>	487,739,254	487,739,254	275,863,242
<b>Net financial assets, end of year</b>	\$ 639,077,972	\$ 832,881,164	\$ 487,739,254

See accompanying notes to non-consolidated financial statements.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Non-Consolidated Statement of Cash Flows**

For the Year Ended December 31, 2018

	2018	2017
		(Restated - Note 24)
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Annual surplus	\$ 394,180,528	\$ 327,099,292
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	111,729,348	111,000,844
(Gain) loss on disposal of tangible capital assets	(7,053,598)	2,222,734
Contributions of tangible capital assets	(6,167,889)	(29,866,617)
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	(2,922,121)	9,215,524
Trade and other receivables	(21,100,059)	19,936,082
Consumable inventories	1,720,604	(1,642,278)
Prepaid expenses	(328,011)	(329,175)
Accounts payable and accrued liabilities	(24,706,725)	(60,862,801)
Deposit liabilities	90,370	716,881
Deferred revenue	(28,509,177)	1,755,598
Employee benefit obligations	78,002	1,622,205
Contaminated sites liability	1,187,126	(340,086)
Provision for landfill closure and post closure costs	735,621	325,803
Cash provided by operating transactions	418,934,019	380,854,006
<b>Capital:</b>		
Proceeds on disposal of tangible capital assets	8,465,741	2,820,360
Acquisition of tangible capital assets	(157,404,813)	(199,429,148)
Cash applied to capital transactions	(148,939,072)	(196,608,788)
<b>Investing:</b>		
Increase in investments	(186,308,083)	(612,143,733)
Cash applied to investing transactions	(186,308,083)	(612,143,733)
<b>Financing:</b>		
Long-term debt repaid	(17,300,936)	(17,116,136)
Cash applied to financing transactions	(17,300,936)	(17,116,136)
<b>Change in cash during the year</b>	66,385,928	(445,014,651)
<b>Cash, beginning of year</b>	23,082,497	468,097,148
<b>Cash, end of year</b>	\$ 89,468,425	\$ 23,082,497

See accompanying notes to non-consolidated financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

The Regional Municipality of Wood Buffalo (the Municipality) is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c.M-26, as amended (MGA).

### 1. Significant accounting policies

The non-consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Municipality are as follows:

#### (a) Reporting entity:

##### (i) Non-consolidated entities

The financial statements reflect the assets, liabilities, revenues and expenses, and accumulated surplus of the non-consolidated reporting entity. The reporting entity is comprised of general government tax-supported departments and the following commissions controlled by the Municipality and accountable to the Municipal Council for the administration of their financial affairs and resources:

Regional Municipality of Wood Buffalo Combative Sports Commission.

Interdepartmental and inter-organizational transactions and balances have been eliminated.

##### (ii) Other boards and commissions

The Municipality is a member of various other boards and commissions that are not included in the reporting entity.

##### (iii) Tax Requisitions

The note for taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

##### (iv) Trust funds

Trust funds and their related operations administered by the Municipality are not included in these non-consolidated financial statements.

#### (b) Basis of accounting:

The Municipality follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Property tax revenue is based on approved annual budget and requisition requirements. Property tax assessment is based on either the market value or regulated value legislated standard as prescribed in the MGA. The market value standard is based on the market value of properties as of July 1st of the preceding year. The regulated value standard is based on rates and procedures prescribed by Alberta Municipal Affairs. Assessments are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on assessment appeals outstanding as at December 31.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Municipality.

Local improvement levies represent funds from external parties that are restricted by legislation and are accounted for as deferred revenue until the special assessments are authorized by Council, issued to the property owners, and the funds are used for the purpose specified.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (b) Basis of accounting (continued):

Government transfers and grants are recognized in the non-consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the Municipality, and reasonable estimates of the amounts can be made. Prior to that time, any amounts received, along with the restricted interest thereon, are recorded as deferred revenue.

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the recipients have met the eligibility criteria, stipulations have been satisfied, and the amount can be reasonably estimated. The majority of transfers made by the Municipality are in the form of grants or operating subsidies.

Revenues from sponsorships are recognized over the terms of the sponsorship agreements. Rental income is recognized as revenue in the relevant tenancy period. Revenues from land and building sales are recognized when title transfers and all of the rights and responsibilities of ownership have transferred, the price to the buyer is determined and collection is reasonably assured.

Returns on investments are recorded as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Deferred revenue represents amounts received from third parties for a specified operating or capital purpose. These amounts are recognized as revenue in the period when the related expenses are incurred.

Expenses are recognized as they are incurred and are measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Cash:

Cash includes cash on hand and balances with banks, net of overdrafts.

#### (d) Excess collections and under-levies:

Excess collections and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is recorded as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is recorded as a receivable and property tax revenue is increased.

Mill-rates in a subsequent year are adjusted for any excess collections or under-levies of the prior year.

#### (e) Investments:

Portfolio investments are recorded at amortized cost. Investment premiums and discounts are amortized on a net present value basis over the term of the respective investments. When there is a significant impairment, other than a temporary decline, the respective investment is written down to recognize the loss.



**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**1. Significant accounting policies (continued)****(f) Non-Financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**(i) Tangible capital assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible assets excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

<b>Asset</b>	<b>Useful Life - Years</b>
Land improvements	10 to 45
Buildings and building improvements	15 to 80
Engineered structures	10 to 120
Machinery and equipment	4 to 30
Vehicles	5 to 15

Annual amortization is charged at 50% in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Municipality's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value.

**(ii) Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

**(iii) Tangible capital assets disclosed at nominal values**

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value.

**(iv) Natural resources**

Natural resources that have not been purchased are not recognized as tangible capital assets in these non-consolidated financial statements.

**(v) Works of art and cultural and historic assets**

Works of art and cultural and historic assets are not recorded as tangible capital assets in these non-consolidated financial statements. Any acquisition costs are expensed in the year they are acquired.

**(vi) Capitalization of costs**

The Municipality does not capitalize interest costs associated with the acquisition or construction of tangible capital assets. General and administrative indirect overhead expenses are not allocated and capitalized.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 1. Significant accounting policies (continued)

(f) Non-Financial assets (continued):

(vii) Leases

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(viii) Consumable inventories

Consumable inventories are recorded at the lower of cost and replacement cost.

(g) Contaminated sites liability:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the costs attributable to remediation activities including any required post-remediation operations, maintenance and monitoring.

(h) Landfill closure and post-closure obligation:

*The Alberta Environmental Protection and Enhancement Act and the Code of Practice for Landfill Operations in Alberta*, set out the regulatory requirements to properly close and maintain all landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The estimated costs relating to this requirement are being accrued over the estimated remaining life of the landfill site based on usage.

The reported obligation may be affected by changes and factors such as the estimated total expenditures, regulatory requirements, inflation, and interest rates. Due to the inherent uncertainty involved in making such estimates and assumptions, actual costs reported in future periods could differ from those estimates.

(i) Employee future benefits

The costs of multi-employer defined benefit pension plan benefits such as Local Authorities Pension Plan (LAPP) and APEX Pension Plan are the employer's contributions to the plan in the period. Health and dental benefits are provided on an administrative services only basis. The Municipality is responsible for the employer share of benefit premiums throughout the year.

(j) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the period.

Actual results could differ from those estimates.

Management has used estimates to determine employee benefit obligations, landfill closure and post closure costs, contaminated sites liabilities, accrued liabilities, provisions for tax assessment appeals, tangible capital asset useful lives, provisions for investment impairment, provisions made for allowances for taxes and other receivables and inventories, as well as wildfire related trade and other receivables.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (k) Adoption of new accounting standards

The following summarizes changes to Canadian public sector accounting standards issued by the Public Sector Accounting Standards Board (PSAB) that have been adopted by the Municipality during the current fiscal year.

##### (i) Assets

PS3210 Assets provides additional guidance on the definition of assets and new disclosure requirements for those assets not recognized in the government's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the non-consolidated financial statements.

##### (ii) Contingent Assets

PS3320 Contingent Assets establishes standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the non-consolidated financial statements.

##### (iii) Contractual Rights

PS3380 Contractual Rights establishes standards on the reporting and disclosure of a government's rights to economic resources that may arise from contracts or agreements that will result in both an asset and revenue in the future. This standard is applicable for fiscal years beginning on or after April 1, 2017. The Municipality has adopted this new standard in fiscal 2018 and additional disclosures have been added where required.

##### (iv) Inter-Entity Transactions

PS3420 Inter-Entity Transactions specifically addresses the reporting of transactions between entities controlled by a government and that comprise the government's reporting entity from both a provider and recipient perspective. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the non-consolidated financial statements.

##### (v) Related Party Disclosures

PS2200 Related Party Disclosures required sufficient information be disclosed about the terms and conditions on which transactions between related parties are conducted and the relationship underlying them. The disclosure provides information necessary to assess the effect that the related party relationships have had, or, if not recognized, may have had on the entity's financial position and financial performance. This standard is applicable for fiscal years beginning on or after April 1, 2017.

The Municipality has reviewed and adopted this new standard in fiscal 2018. The adoption of this standard did not have any impact to the non-consolidated financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 1. Significant accounting policies (continued)

#### (I) Recent Accounting Standard Pronouncements

The following summarizes upcoming changes to the Canadian public sector accounting standards issued by the PSAB. The Municipality will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in the Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

##### (i) Restructuring Transactions

PS3430 Restructuring Transactions establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2018.

##### (ii) Financial Statement Presentation

PS1201 Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising for the re-measurement of financial instruments and items denominated in foreign currencies as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2019.

##### (iii) Foreign Currency Translation

PSAB issued PS2601 Foreign Currency Translation, replacing the current PS2600 applicable for fiscal years beginning on or after April 1, 2019. This standard requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

##### (iv) Financial Instruments

PS3450 Financial Instruments applicable for fiscal years beginning on or after April 1, 2019 establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments, all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

##### (v) Portfolio Investments

Section PS3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS3450 and now includes pooled investments in its scope. Upon adoption of PS3450 and PS3041 Temporary Investments PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2019.

##### (vi) Asset Retirement Obligations

PS3280 establishes standards on how to account for and report a liability for asset retirement obligations. Specifically, it defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements. This standard applies to fiscal years beginning on or after April 1, 2021.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**2. Taxes and grants in lieu receivable**

	2018	2017
Current	\$ 7,248,574	\$ 15,146,514
Arrears**	13,306,157	9,545,947
	20,554,731	24,692,461
Less allowance for doubtful accounts	10,390,274	17,450,125
	\$ 10,164,457	\$ 7,242,336

\*\* levies which were imposed one year or longer prior to year end

**3. Trade and other receivables**

	2018	2017
Government transfers	\$ 44,205,569	\$ 19,182,059
GST recoverable	1,622,743	2,866,130
Utility receivables	5,580,671	5,694,857
Developer charges	2,200,000	2,876,159
Trade receivables	16,633,279	18,522,998
	\$ 70,242,262	\$ 49,142,203

The allowance for doubtful accounts for trade and other receivables is \$9,100,602 (2017 - \$13,435,559).

**4. Investments**

	2018		2017	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Cash	\$ 400,663	\$ 400,663	\$ 43,776,748	\$ 43,776,749
Bankers acceptances, notes and bonds	2,743,569	2,747,482	3,001,012	2,997,083
Government bonds, government guaranteed bonds and guaranteed investments certificates	804,106,983	806,229,904	654,148,386	653,166,107
Corporate bonds and debentures	301,989,159	296,325,040	169,029,875	167,640,766
Mutual funds	-	-	59,761,395	60,125,862
Accrued interest	9,495,483	9,495,483	2,710,358	2,710,358
	\$ 1,118,735,857	\$ 1,115,198,572	\$ 932,427,774	\$ 930,416,925

Bankers acceptances, notes and bonds, bearing interest rates from 1.63% to 1.69% (2017 - 1.06% to 1.89%)

Government bonds, government guaranteed bonds and guaranteed investment certificates, bearing interest at stated interest rates from 1.00% to 5.60% (2017 - 1.01% to 10.60%).

Corporate bonds and debentures, bearing interest at stated interest rates from 1.40% to 4.93% (2017 - 0.95% to 9.97%).

The market value of certain investments fluctuates with changing market interest rates. The carrying value of certain investments have not been written down to market value because management has concluded, based on a review of market information for these investments, there is no obvious indication of significant impairment that is other than temporary.

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

## 5. Deferred revenue

Deferred revenue is comprised of the funds noted below, the use of which is externally restricted. These funds are recognized as revenue in the period they are used for the purpose specified. Certain deferred revenues related to government transfers are further described in Note 14.

	2017	Externally restricted inflows (outflows)	Revenue (recognized) reallocated	2018
<u>Government transfers</u>				
Operating:				
Community Housing Plan (a)	\$ 3,204,622	\$ 3,451,000	\$ (4,817,634)	\$ 1,837,988
Children and Youth Services Grant (b)	84,230	(73,238)	(10,992)	-
Emergency Services Grants (c)	20,722	500,640	(26,498)	494,864
RCMP Grants (d)	405,896	1,365,216	(1,429,808)	341,304
Community and Regional Economic Support Grant (e)	-	95,000	-	95,000
FireSmart Grant (f)	-	6,000,000	(1,278,767)	4,721,233
Victims of Crime Grant (g)	-	261,962	(251,331)	10,631
Community Inclusion Grant	-	10,000	(7,378)	2,622
Coalitions Creating Equity Grant	-	61,500	(36,552)	24,948
Labour Market Partnership Grant	-	51,000	-	51,000
	3,715,470	11,723,080	(7,858,960)	7,579,590
Capital:				
Community Development Plan (h)	10,519,997	-	(1,610)	10,518,387
Municipal Sustainability Initiative Grant (i)	29,277,277	40,855,558	(56,423,262)	13,709,573
Federal Gas Tax Fund Grant (j)	2,805,119	6,372,321	(2,699,450)	6,477,990
911 Grant (k)	316,168	3,356	(16,224)	303,300
Alberta Municipal Water and Wastewater Grant (l)	1,000,000	2,756,092	(3,756,092)	-
South Policing Facility Grant (m)	1,202,256	-	(8,410)	1,193,846
FireSmart Grant - Emergency Response Systems (n)	-	1,006,440	(373,100)	633,340
Strategic Transportation Infrastructure Program Grant (o)	-	461,949	(67,838)	394,111
	45,120,817	51,455,716	(63,345,986)	33,230,547
	48,836,287	63,178,796	(71,204,946)	40,810,137
<u>Other</u>				
Corporate Donations and Naming Rights	95,238	-	(95,238)	-
RCMP Agreements	10,240	-	(10,240)	-
Deferred Property Taxes	24,056,237	25,183,426	(24,056,237)	25,183,426
Deferred Offsite Levies and Developer Charges (p)	25,551,004	811,365	(21,017,127)	5,345,242
Deferred Developer Agreements (q)	3,285,398	35,000	-	3,320,398
Canadian Red Cross Recovery Gift Agreement (r)	4,001,716	-	(3,003,901)	997,815
Canadian Red Cross - Disaster Response Service Agreement (s)	-	496,236	(70,399)	425,837
Insurance Proceeds - Wildfire Event (t)	4,083,554	9,531,000	(12,930,495)	684,059
Other	833,651	5,545,142	(901,559)	5,477,234
	61,917,038	41,602,169	(62,085,196)	41,434,011
	\$110,753,325	\$ 104,780,965	\$(133,290,142)	\$ 82,244,148

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### Deferred revenue (continued)

#### Operating government transfers

##### (a) *Community Housing Plan*

The Community Housing Plan is an arrangement where money is received from both the Province of Alberta and the Government of Canada to assist homeless individuals to obtain housing and provide support services through funding provided to a number of not-for-profit organizations. Accruals are set up at the end of each year to record the deferred revenue from the Province of Alberta and record the trade and other receivable from the Government of Canada.

##### (b) *Children and Youth Services Grant*

The Province of Alberta, through the Minister of Human Services, provided the Children and Youth Services Grant to provide youth advocacy services in the community. In 2018, the Municipality refunded \$73,238 (2017 - \$nil).

##### (c) *Emergency Services Grants*

The Municipality received four grants from the Province of Alberta related to the provision of emergency services within the Municipality. Alberta Emergency Management Agency provides, through Alberta Municipal Affairs, the 911 grant, and the Fire Services and Emergency Preparedness grant and Alberta Agriculture and Forestry provides the FireSmart Community grant. The 911 grant supports and enhances the delivery and development of local 911 services throughout Alberta. The Fire Services and Emergency Preparedness grant provides an effective and cost-efficient mechanism for increased training capacity that results in an increased number of trained fire service and emergency management practitioners. The FireSmart Community grant assists communities in reducing the risk of wildfire within their respective jurisdictions. During 2018, the Municipality received \$500,640 (2017 - \$505,945).

##### (d) *Royal Canadian Mounted Police (RCMP) Grants*

The Province of Alberta provides two RCMP grants through the Alberta Solicitor General and Minister of Public Security - the Police Officers Grant (POG) and the Municipal Policing Assistance Grant (MPAG). POG provides assistance to Municipalities to promote the hiring of new police officers throughout the province. MPAG helps communities to meet the costs of their policing services. During 2018, the Municipality received \$1,365,216 (2017 - \$1,623,584).

##### (e) *Community and Regional Economic Support (CARES) Grant*

The Province of Alberta through the Minister of Economic Development and Trade provides the CARES grant to fund initiatives of Alberta Municipalities that enhance local economic conditions, leverage regional economic development resources, and build local and regional capacity for sustainable economic development delivery. During 2018 the Municipality received \$95,000 (2017 - \$nil).

##### (f) *FireSmart Grant*

The Province of Alberta, through the Minister of Agriculture and Forestry, provides the operating FireSmart grant to fund initiatives that reduce the wildfire risk and/or hazard to the community by emergency planning, education and vegetation management. During 2018, the Municipality received and recognized as operating government transfers \$6,000,000 (2017 - \$nil).

##### (g) *Victims of Crime Grant*

The Province of Alberta, through Alberta Justice and Solicitor General, provides the Victims of Crime grant which funds services that benefit victims during their involvement with the criminal justice process. During 2018, the Municipality received and recognized as operating government transfers \$261,962 (2017 - \$nil).



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### Deferred revenue (continued)

#### Capital government transfers

##### *(h) Community Development Plan*

In 2009, the Municipality entered into an agreement with the Province of Alberta to service the development of Crown Lands known as Parsons Creek and Saline Creek Plateau. To facilitate this servicing, for residential and other purposes, a grant totaling \$242,380,000 was provided by the Province. During 2018, the Municipality reallocated \$1,610 of grant funds and allocated interest on the unspent grant in the amount of \$nil (2017 - \$131,527).

##### *(i) Municipal Sustainability Initiative Grant*

In 2007, the Province of Alberta introduced the Municipal Sustainability Initiative program to assist municipalities with managing growth pressures, provide sustainable funding and support infrastructure needs. Based on a pre-established formula and budget availability, the Municipality will receive an annual grant allocation. In 2018, the Municipality received \$40,516,420 (2017 - \$31,183,480) and allocated interest on the unspent grant in the amount of \$339,138 (2017 - \$302,543).

##### *(j) Federal Gas Tax Fund Grant*

The Federal Gas Tax Fund Grant (formerly New Deal for Cities and Communities Grant) assists municipalities in addressing their sustainable municipal capital infrastructure needs. Funding is received through the allocation of the federal gasoline tax to Alberta municipalities. This grant program is extended to 2024. In 2018, the Municipality received \$6,324,684 (2017 - \$6,762,860) and allocated interest on the unspent grant in the amount of \$47,637 (2017 - \$26,678).

##### *(k) 911 Grant*

Alberta's Emergency 911 Act came into force on April 1, 2014. The Act established the Alberta 911 Grant Program under the Alberta Emergency Management Agency. The objective of the 911 Grant Program is to strengthen and support local delivery of 911. This will be done through delivering a new source of funding generated from a monthly 911 levy on cellphones, and by developing provincial standards for 911. In 2018, the Municipality allocated interest on the unspent grant in the amount of \$3,356 (2017 - \$3,529).

##### *(l) Alberta Municipal Water and Wastewater Partnership*

The Alberta Municipal Water/Wastewater Partnership provides cost-shared funding to eligible municipalities to assist in the construction of municipal water supply and treatment and wastewater treatment and disposal facilities. In 2018, the Municipality received \$2,756,092 (2017 - \$17,000,000) for upgrades to the Fort Chipewyan Water Treatment Plant.

##### *(m) South Policing Facility Grant*

Alberta Infrastructure provided funding in 2011 as a contribution towards the costs of the construction and development of a new Wood Buffalo South Policing Facility. In 2018, the Municipality reallocated the unused grant revenue of \$nil (2017 - \$1,202,256).

##### *(n) FireSmart Grant – Emergency Communication Systems*

The Province of Alberta, through the Minister of Agriculture and Forestry, provides the FireSmart capital grant to fund initiatives that reduce the wildfire risk and/or hazard to the community by emergency planning, education and vegetation management. The Municipality is using a portion of this grant to fund the migration of existing emergency communication systems to Alberta First Responders Radio Communication System (AFRRCS) to align with communication systems used by the Province of Alberta. In 2018, the Municipality received \$1,000,000 (2017 - \$nil) and allocated interest on the unspent grant in the amount of \$6,440 (2017 - \$nil).

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**Deferred revenue (continued)**Capital government transfers (continued)*(o) Strategic Transportation Infrastructure Program Grant*

The Strategic Transportation Infrastructure Program grant provides financial assistance to rural and smaller urban municipalities for developing and maintaining key transportation infrastructure. The Municipality applied under the Local Road Bridge component for the Fort Chipewyan Winter Road Culvert project. In 2018, the Municipality received \$460,000 (2017 - \$nil) and allocated interest on the unspent grant in the amount of \$1,949 (2017 - \$nil).

Other*(p) Deferred Offsite Levies and Developer Charges*

The Municipality collects offsite levies and developer charges from property developers prior to new development commencing within the municipality. During 2018, the Municipality received \$525,375 (2017 - \$833,495) in levies and charges and allocated interest on the unspent levies and charges of \$285,990 (2017 - \$261,520).

*(q) Deferred Developer Agreements*

The Municipality entered agreements to perform work on behalf of developers and received payments in lieu of municipal reserve lands.

*(r) Canadian Red Cross Society – Recovery Gift Agreement*

The Canadian Red Cross Society provided funding under a Recovery Gift Agreement to facilitate the provision of relief and recovery work in the region following the Alberta wildfires of 2016. During 2018 the Municipality received \$nil (2017 - \$5,000,000).

*(s) Canadian Red Cross Society – Disaster Response Service Agreement*

In 2018, the RMWB entered into a Disaster Response Service Agreement with the Canadian Red Cross Society for support the Small Business Program (Phase 3B) providing programming for small businesses impacted by the May 2016 Horse River Wildfire disaster in the Municipality. The total contribution under the agreement will be \$992,472. During 2018 the Municipality received \$496,236 (2017 - \$nil).

*(t) Insurance Proceeds – Wildfire Event*

In 2018, the Municipality finalized insurance claims with most of its insurers. During 2018 the Municipality received \$9,531,000 (2017 - \$nil).

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 6. Employee benefit obligations

	2018	2017
Accrued vacation pay and overtime bank	\$ 6,924,470	\$ 6,789,539
Accrued salary and benefits	8,671,096	8,728,025
	\$ 15,595,566	\$ 15,517,564

#### (a) Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to those benefits within the next budgetary year.

#### (b) Local Authorities Pension Plan

Employees of the Municipality participate in the LAPP, which is covered by the Alberta Public Sector Pension Plans Act.

The Municipality is required to make current service contributions to the LAPP of 10.39% (2017 - 11.39%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 14.84% (2017 - 15.84%) for the excess. Employees of the Municipality are required to make current service contributions of 9.39% (2017 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 13.84% (2017 - 14.84%) on pensionable salary above this amount. Contributions for current service are recorded as expenditures in the year in which they become due.

Total current service contributions by the Municipality to the LAPP in 2018 are \$16,656,784 (2017 - \$18,648,561). Total current service contributions by the employees of the Municipality to the LAPP in 2018 are \$15,333,813 (2017 - \$17,237,074).

The LAPP reported a surplus for the overall plan as at December 31, 2017 of \$4,835,515,000 (2016 - \$637,357,000 deficiency). Information as at December 31, 2018 is not available at the time of preparing these non-consolidated financial statements.

#### (c) APEX Supplementary Pension Plan

The APEX Supplementary Pension Plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees with approximately 180 (2017 - 211) beneficiaries. The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the Municipality. Employees and the Municipality are required to make current service contributions to APEX of 2.84% and 3.78% respectively on pensionable earnings up to \$147,222 (2017 - \$145,722) per employee per year.

Total current service contributions by the Municipality to APEX in 2018 were \$753,716 (2017 - \$844,489). Total current service contributions by the employees of the Municipality in 2018 were \$566,214 (2017 - \$634,470).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation, and retirement age of employees. The cost of post-retirement benefits is fully funded.

#### (d) Other employee benefit plans

The Municipality fully funds all benefits with the exception of long-term disability and benefits that are paid by employees as outlined in the Canadian Union of Public Employees and International Association of Fire Fighters contracts. The Municipality's contributions are expensed to the extent that they do not relate to discretionary reserves. The Municipality accrues its obligations for employee non-pension future benefits.

The Municipality sponsors certain employee registered and non-registered retirement plans, which are funded through employee and/or employer contributions.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 6. Employee benefit obligations (continued)

#### (e) *Employee housing initiative - designated housing units*

On February 14, 2006, a designated housing unit program was established by the Municipality. Under this program, a specified number of rental units (18) were provided for exclusive use by employees of the Municipality to assist with transitional housing needs. Due to the change in rental market this program has now been closed and all except two housing units are returned to Wood Buffalo Housing & Development Corporation. Employees are now referred directly to Wood Buffalo Housing & Development Corporation.

The program is for new employees requiring transitional housing, or in unique cases, for an existing employee where affordable housing cannot be secured by the employee within the Municipality. The designated rental units are allocated as per the qualifying incomes of the employees as determined by the Municipality. Units are allocated based on merit and employees enter into short-term lease agreements for the rental of the designated rental units at an agreed upon monthly rental cost. The employee is responsible for the monthly rental cost and any required damage deposit.

#### (f) *Employee housing initiative - home equity protection program*

On February 14, 2006, a home equity protection program was established by the Municipality. Under this program, any employee approved for participation in the program will be compensated by the Municipality in an amount equal to any loss in value of the employee's principal residence between the date of the employee's approval for participation in the program and the date of sale of the principal residence by the employee. Existing employees of the Municipality were eligible to join the program until June 30, 2007. After June 30, 2007, only new employees of the Municipality are eligible to join. The program is discontinued and has not accepted new participants since November 30, 2013.

Employees who are approved for participation in the program become eligible for payment under the program after the employee has completed three years of uninterrupted permanent employment with the Municipality. If an employee ceases to be an employee of the Municipality within the three-year period or if an employee is not in continuous occupancy of their principal residence, they are not eligible for payment under the program.

As at December 31, 2018, \$1,501,200 (2017 - \$3,246,100) is accrued within these non-consolidated financial statements relating to this program. During 2018, the Municipality paid out \$5,851,750 (2017 - \$3,274,444) for this program. There are 255 (2017 - 297) employees eligible, approved and participating in the program with an aggregate secured property value of \$154,368,625 (2017 - \$180,239,425) based on assessed values.

#### (g) *MuniSERP - supplemental retirement program*

MuniSERP is an accrued benefit obligation for certain groups of employees; the future benefit plan commenced in 2012. An actuarial valuation for this plan was completed by the Alberta Municipal Services Corporation's actuaries as at December 31, 2018.

MuniSERP is a supplementary retirement program that cannot be prefunded.

This is a municipal contributed plan for a certain group of employees. MuniSERP is managed through Alberta Municipal Services Corporation.

This program provides benefits in excess of those allowed under the registered pension plans - LAPP and APEX Supplementary Pension Plans. This program is not a registered pension plan and thus is not subject to pension regulation.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**6. Employee benefit obligations (continued)**(g) *MuniSERP - supplemental retirement program (continued)*The following presents the MuniSERP net assets as at December 31<sup>st</sup>:

	2018	2017
Accrued Benefit Obligation		
Balance, beginning of year	\$ 916,394	\$ 914,350
Current service and interest (recovery) cost	(107,460)	2,044
Balance, end of year	808,934	916,394
Assets held to fund liability	683,654	983,955
<b>Net assets</b>	<b>\$ 125,280</b>	<b>\$ (67,561)</b>

The significant actuarial assumptions measuring the Municipality's accrued benefit obligation are:

	2018	2017
Inflation	2.25%	2.25%
Wages and salaries escalations	3.50%	3.50%
Interest (discount rate on accrued benefit obligations)	4.75%	4.75%
Average municipal service (years)	2.3	2.9

**7. Contaminated sites liability**

The Municipality recorded a contaminated sites liability for 2018 of \$1,839,866 (2017 - \$652,740) which represents the present value of reclamation costs to the Municipality, using annual rates of 1.70% (2017 – 2.00%) for inflation and discount rates of 3.34% (2017 – 3.00%) for remediation costs and 2.13% (2017 – 2.22%) for any related pre-remediation or monitoring costs. The following represents the contaminated sites liability breakdown by site at December 31<sup>st</sup>:

	2018	2017
Sites:		
Conklin - former airstrip	\$ 480,620	\$ 491,079
Conklin - former storage site	101,211	103,482
Fort Chipewyan - historic unofficial landfill	57,909	58,179
Fort McMurray - former tow yard	1,200,126	-
Net present value of estimated expenditures	\$ 1,839,866	\$ 652,740

Contaminants that exceed environmental standards were present in the soil and/or groundwater due to the historic usage of the sites and/or to items remaining on the sites today. The undiscounted estimated expenditures for these sites is \$1,926,962 (2017 - \$747,962) and there are no expected recoveries available from other sources.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 8. Landfill closure and post-closure obligation

The obligation recorded at December 31, 2018 for the landfill closure was \$13,974,378 (2017 - \$13,238,757) and represents the present value of closure and post-closure costs of the Municipality landfill sites, using annual rates of 1.70% (2017 – 1.30%) for inflation and discount rates of 2.13% (2017 – 3.29%) for post-closure and 3.34% (2017 – 2.23%) for closure.

Post-closure activities are expected to occur for 25 years and will involve surface and ground water monitoring, landfill cover maintenance and erosion management as per Alberta Environment standards.

At the end of 2018 there are six closed landfill sites within the Regional Municipality of Wood Buffalo.

The new Fort McMurray Regional landfill and the Fort Chipewyan landfill are the only open landfill sites within the Municipality. The remaining capacity is expected to meet regional demands until the end of 2021. In 2018, Cell 4 was fully constructed and is available as additional capacity up until cells I, II, III and the lateral expansion are closed, at which point, cell 4 will be in full operation, and the only active cell.

2018				
Capacity utilization	Total Cells	Cells Used	% Used	Estimated remaining life in years
Fort McMurray - regional landfill	4	2.2	55%	8
Fort Chipewyan - new site	1	0.4	38%	9

The following summarizes the total net present value of the estimated costs of closure and post-closure care for the two operational landfill sites and the six closed landfill sites within the Regional Municipality of Wood Buffalo:

	2018	2017
Estimated closure costs	\$ 19,654,487	\$ 19,325,946
Estimated post-closure costs	408,244	226,157
Estimated total liability (100% utilized)	20,062,731	19,552,103
Accrued liability portion (current utilization)	13,974,378	13,238,757
Portion of liability remaining to be recognized	\$ 6,088,353	\$ 6,313,346

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**9. Long-term debt**

	2018	2017
Municipal debt:		
Debentures supported by general tax levies (i)	\$ 162,686,383	\$ 170,145,395
Debentures supported by utility rates (ii)	102,735,023	112,576,947
	<u>\$ 265,421,406</u>	<u>\$ 282,722,342</u>

Municipal debt

Debentures supported by general tax levies and utility rates.

The payments on principal and interest for debentures supported by general tax levies and utility rates for the next five years and thereafter are as follows:

	Principal	Interest	Total
2019	\$ 17,527,806	\$ 11,930,029	\$ 29,457,835
2020	17,890,273	11,116,261	29,006,534
2021	16,568,799	10,311,916	26,880,715
2022	17,192,178	9,540,620	26,732,798
2023	17,911,075	8,741,383	26,652,458
Thereafter	178,331,275	41,491,756	219,823,031
	<u>\$ 265,421,406</u>	<u>\$ 93,131,965</u>	<u>\$ 358,553,371</u>

Interest on long-term debt in 2018 amounted to \$12,639,738 (2017 - \$13,431,331).

The debenture debt above is repayable to Alberta Capital Finance Authority, has interest rates ranging from 1.78% to 9.75% per annum, and matures in years 2019 through 2036 with a weighted average interest rate of 4.61%.

Debenture debt is issued on the credit and security of the Municipality.



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 10. Debt and debt service limits

Section 276(2) of the *Municipal Government Act* requires that debt, maximum allowable debt and debt service limits as defined by Alberta Regulation 255/2000 (the Regulation) for the Municipality be disclosed as follows:

#### Debt Limit

	2018	2017
Maximum allowable debt	\$ 1,728,932,526	\$ 1,772,847,526
Total municipal debt	265,421,406	282,722,342
Amount of total debt limit available	\$ 1,463,511,120	\$ 1,490,125,184
Percentage used	15.35%	15.95%

#### Debt service limit

	2018	2017
Maximum allowable debt service	\$ 302,563,192	\$ 310,248,317
Annual payments on existing municipal debt	29,457,835	30,038,241
Amount of service on debt limit available	\$ 273,105,357	\$ 280,210,076
Percentage used	9.74%	9.68%

The debt limit is calculated at 2.0 times revenue of the Municipality (as defined in the Regulation as amended by Ministerial Order L:038/06) and the debt service limit is calculated at 0.35 times of the same revenue. Incurring debt beyond these limitations requires approval by the Provincial Minister of Municipal Affairs.

The Municipality's Debt Management Policy (amended November 27, 2012) has an established debt and debt service limit of 85% of the Municipal Government Act and regulation limits.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 11. Tangible capital assets

	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Assets Under Construction	2018 \$	2017 \$ (Restated - Note 24)
<b>COST:</b>									
<i>Balance, beginning of year</i>	\$ 370,192,646	\$ 278,180,802	\$ 684,835,436	\$ 2,620,345,225	\$ 120,587,717	\$ 83,470,597	\$ 627,299,873	\$ 4,784,912,296	\$ 4,578,187,287
Acquisition of tangible capital assets	8,431,788	26,752,908	53,001,379	173,682,288	2,300,181	3,536,585	(104,132,427)	163,572,702	229,295,765
Disposal of tangible capital assets	-	88,661	-	(10,835,853)	(870,739)	(2,608,013)	-	(14,225,944)	(22,570,756)
<i>Balance, end of year</i>	\$ 378,624,434	\$ 305,022,371	\$ 737,836,815	\$ 2,783,191,660	\$ 122,017,159	\$ 84,399,169	\$ 523,167,446	\$ 4,934,259,054	\$ 4,784,912,296
<b>ACCUMULATED AMORTIZATION:</b>									
<i>Balance, beginning of year</i>	\$ -	\$ 66,948,485	\$ 100,108,003	\$ 583,248,417	\$ 58,464,251	\$ 49,894,063	\$ -	\$ 858,663,219	\$ 765,190,037
Annual amortization	-	16,155,707	18,794,451	60,121,426	10,932,672	5,725,092	-	111,729,348	111,000,844
Accumulated amortization on disposals	-	26,598	-	(9,617,878)	(614,508)	(2,608,013)	-	(12,813,801)	(17,527,662)
<i>Balance, end of year</i>	\$ -	\$ 83,130,790	\$ 118,902,454	\$ 633,751,965	\$ 68,782,415	\$ 53,011,142	\$ -	\$ 957,578,766	\$ 858,663,219
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 378,624,434	\$ 221,891,581	\$ 618,934,361	\$ 2,149,439,695	\$ 53,234,744	\$ 31,388,027	\$ 523,167,446	\$ 3,976,680,288	\$ 3,926,249,077
2017 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (Restated - Note 24)	\$ 370,192,646	\$ 211,232,317	\$ 584,727,433	\$ 2,037,096,808	\$ 62,123,466	\$ 33,576,534	\$ 627,299,873	\$ 3,926,249,077	

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**11. Tangible capital assets (continued)***(a) Assets under construction*

Assets under construction having a value of \$ 523,167,446 (2017 - \$627,299,873) have not been amortized. Amortization of these assets will commence when the assets are available for use.

*(b) Contributed tangible capital assets*

Contributed capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$6,167,889 (2017 - \$29,866,617).

Contributed tangible capital assets received consist of:

	<b>2018</b>	<b>2017</b>
		(Restated - Note 24)
Roadway System	\$ 3,198,574	\$ 11,580,249
Water System	848,961	3,929,291
Wastewater System	753,907	8,498,592
Storm System	1,291,447	4,314,781
Land Improvements	75,000	1,543,704
	<b>\$ 6,167,889</b>	<b>\$ 29,866,617</b>

*(c) Tangible capital assets disclosed at nominal values*

Assets recognized at nominal value by the Municipality consist of certain land, land improvements, buildings and improvements, machinery and equipment, engineered structures, and vehicles.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**12. Accumulated surplus**

	2018	2017
		(Restated - Note 24)
Operations:		
Operating reserves:		
General administration	\$ 335,557,651	\$ 268,490,962
Common services	142,575	142,575
Recreation	931,103	922,754
Urban parks	289,775	289,775
Total operations	336,921,104	269,846,066
Capital:		
Deficit - undesignated	(86,581,068)	(114,007,686)
Capital reserves:		
General	842,004,475	610,057,817
Equipment	706,327	706,327
Common services	708,599	708,599
Roads and streets	32,811	32,744
Water supply	2,052,107	2,052,107
Sewage	2,317,650	2,317,650
Recreation	6,907,212	6,907,212
	854,729,181	622,782,456
Equity in tangible capital assets:		
Tangible capital assets (Note 11)	4,934,259,054	4,784,912,296
Accumulated amortization (Note 11)	(957,578,766)	(858,663,219)
Long-term debt (Note 9)	(265,421,406)	(282,722,342)
	3,711,258,882	3,643,526,735
 Total capital	 4,479,406,995	 4,152,301,505
 Accumulated surplus	 \$ 4,816,328,099	 \$ 4,422,147,571

Reserves are a key tool used to set aside funds to replace existing tangible capital assets, respond to emergent needs, stabilize tax rates, and fund future capital projects. Capital reserves are substantially committed to current budgeted capital projects.

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

## 12. Accumulated surplus (continued)

## Changes in accumulated surplus

	Unrestricted Deficit	Restricted Surplus	Equity in Tangible Capital Assets	2018	2017 (Restated - Note 24)
Balance, beginning of year	\$ (114,007,686)	\$ 892,628,522	\$ 3,643,526,735	\$ 4,422,147,571	\$ 4,095,048,279
Annual surplus	394,180,528	-	-	394,180,528	327,099,292
Unrestricted funds designated for future use	(423,811,622)	423,811,622	-	-	-
Restricted funds used for operations	13,309,577	(13,309,577)	-	-	-
Restricted funds used for tangible capital assets	-	(111,480,282)	111,480,282	-	-
Current year funds used for tangible capital assets	(45,924,531)	-	45,924,531	-	-
Contributed tangible capital assets	(6,167,889)	-	6,167,889	-	-
Disposal of tangible capital assets	1,412,143	-	(1,412,143)	-	-
Annual amortization expense	111,729,348	-	(111,729,348)	-	-
Long term debt repaid	(17,300,936)	-	17,300,936	-	-
Change in accumulated surplus	27,426,618	299,021,763	67,732,147	394,180,528	327,099,292
Balance, end of year	\$ (86,581,068)	\$ 1,191,650,285	\$ 3,711,258,882	\$ 4,816,328,099	\$ 4,422,147,571

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 13. Net taxes available for municipal purposes

	Budget (Note 21)	2018	2017
Taxation:			
Real property taxes	\$ 671,875,131	\$ 758,555,857	\$ 803,677,091
Government grants in lieu of property taxes	-	1,273,569	729,099
Special assessments and local improvement taxes	253,810	329,503	331,491
Well drilling	600,000	1,651,417	1,140,875
	672,728,941	761,810,346	805,878,556
Requisitions:			
Designated Industrial Properties	-	1,509,106	-
Alberta School Foundation Fund	-	71,371,590	67,952,318
School boards	-	6,105,166	5,895,003
Ayabaskaw House Seniors' Lodge	-	130,975	209,080
Rotary House Seniors' Lodge	-	1,810,423	1,752,334
	-	80,927,260	75,808,735
Net taxes available for municipal purposes	\$ 672,728,941	\$ 680,883,086	\$ 730,069,821

The Municipality is required to levy taxes under section 353 of the Municipal Governments Act towards payment of education requisitions. Education tax revenues are recorded at the amounts levied. Actual taxes levied over/under the amount requisitioned are recorded as an adjustment to taxes and grants in lieu receivable.

### 14. Government transfers

	Budget (Note 21)	2018	2017
Transfers for Operating:			
Conditional shared cost agreements and grants			
Federal Government	\$ 129,440	\$ 362,484	\$ 82,106
Provincial Government	12,704,375	41,030,885	52,934,233
Total government transfers for operating	12,833,815	41,393,369	53,016,339
Transfers for Capital:			
Conditional shared cost agreements and grants			
Federal Government	9,071,390	-	-
Provincial Government	35,083,737	63,641,569	50,131,515
Total government transfers for capital	44,155,127	63,641,569	50,131,515
Total government transfers	\$ 56,988,942	\$ 105,034,938	\$ 103,147,854

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

### Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

#### 14. Government transfers (continued)

In addition to those government transfers relating to deferred revenues, as described in Note 5, the following operating provincial government transfers were received:

##### Operating government transfers

##### *(a) Disaster Recovery Program*

Alberta Municipal Affairs through the Alberta Emergency Management Agency provides financial assistance in the event of a disaster to individuals, small businesses, not-for-profit organizations, municipalities and government departments through the Disaster Recovery program. The Municipality is approved for assistance through the Disaster Recovery Program for the 2016 wildfire event (Note 23). During 2018, the Municipality received \$nil (2017 - \$61,176,369), recognized as operating government transfers \$27,673,480 (2017 - \$39,131,293) and recognized as receivable \$43,889,665 (2017 - \$16,216,185).

##### *(b) Dispatch Contract*

Alberta Health Services provides a dispatch contract to partially offset the cost of running the Municipality's dispatch centre. During 2018, the Municipality received and recognized as operating government transfers \$660,875 (2017 - \$643,147).

##### *(c) Emergency Medical Services Contract*

Alberta Health Services provides the Emergency Medical Services Ground Ambulance contract which provides assistance to partially offset the cost of providing 24/7 emergency medical services to the Municipality's citizens. During 2018, the Municipality received and recognized \$7,173,567 (2017 - \$7,161,396).

##### *(d) Family and Community Support Services Grant*

The Province of Alberta provides the Family and Community Support Services Grant to support several programs for children, youth, families, adults, seniors, community development, and social planning in the Municipality's different communities in accordance with the Family and Community Support Services Act and Regulation. During 2018, the Municipality received and recognized as operating government transfers \$1,924,513 (2017 - \$1,924,513).

##### *(e) Canada 150 Community Infrastructure Program Grant*

The Canada 150 Community Infrastructure Program is part of Canada 150 Celebrates, the Government of Canada's celebration of our country's 150th anniversary of Confederation. Through investments in community infrastructure, the Government of Canada invests in projects that celebrate heritage, create jobs, and improve the quality of life for Canadians. In 2018, the Municipality received and recognized as capital government transfers \$126,022 (2017 - \$nil).

##### Capital government transfers

##### *(f) GreenTRIP Transportation Grants*

The Municipality entered into an agreement with the Province of Alberta to undertake the construction of a transit maintenance facility and purchase 34 low floor buses. The grant is a cost share grant whereby the Province of Alberta will provide 66.67% of eligible costs. In 2018, the Municipality received and recognized as capital government transfers \$649,996 (2017 - \$3,359,641) towards the costs of the transit facility and buses.



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 15. Expenses by object

	Budget (Note 21)	2018	2017 (Restated - Note 24)
Salaries, wages and benefits	\$ 228,541,215	\$ 218,403,518	\$ 236,832,294
Contracted and general services	78,295,569	109,198,022	118,212,824
Purchases from other governments	27,113,700	23,641,339	24,102,618
Materials, goods, supplies and utilities	37,269,136	32,391,859	29,774,591
Provision (recovery) for allowances	512,000	(2,658,892)	22,188,834
Transfers to local boards and agencies	743,000	71,500	143,000
Transfers to individuals and organizations	26,587,150	27,195,918	36,136,013
Bank charges and short-term interest	228,600	233,069	221,440
Interest on long-term debt	12,734,000	12,639,738	13,431,331
Other	95,150	196,176	45,056,080
Amortization of tangible capital assets	-	111,729,348	111,000,844
Loss on disposal of tangible capital assets	-	-	2,222,734
<b>Total expenses</b>	<b>\$ 412,119,520</b>	<b>\$ 533,041,595</b>	<b>\$ 639,322,603</b>

### 16. Contractual Rights

The Municipality has entered into lease agreements to lease land and building space to other parties until 2031 assuming no default on payments by the counterparty. The annual lease receipts in each of the following years are:

2019	\$ 747,761
2020	661,677
2021	617,115
2022	603,036
2023	484,969
Thereafter	2,425,717
	<b>\$ 5,540,275</b>

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 17. Commitments and contingent liabilities

#### (a) Operating leases

The Municipality has entered into lease agreements for the leasing of office space and equipment until 2031. The annual lease payments in each of the following years are:

2019	\$ 3,269,341
2020	2,742,123
2021	1,938,378
2022	1,938,378
2023	1,619,632
Thereafter	377,708
	<u>\$ 11,885,560</u>

#### (b) Borrowing facilities (line of credit)

Pursuant to section 256 of the Municipal Government Act and Municipal Bylaw 16/019, the Municipality is authorized to borrow from the Municipality's financial institution, on a revolving basis, up to \$50 million for the purpose of meeting current operating expenditures and obligations of the Municipality when required. At December 31, 2018, the Municipality had authorized the line of credit available from its bank in the amount of \$50 million. At year end, no amounts were drawn against its available line of credit.

#### (c) Development agreements

Developers have entered into agreements with the Municipality in the amount of approximately \$28,000,000 (2017 - \$29,000,000) and are committed to installing and constructing certain works to serve the development of lands within the Municipality. The Municipality has taken security from developers in the form of deposit liabilities in the amount of \$5,688,396 (2017 - \$5,318,275) and letters of credit in the amount of \$15,575,901 (2017 - \$16,537,755) to ensure performance by the developers under the agreements.

#### (d) Contingent liabilities

The Municipality identified one contaminated site where the costs are expected to be paid by a third party. This site in Abasand is a former oil sands site and contaminants in soil and groundwater have been found to exceed environmental standards. The undiscounted expected expenditures to reclaim this site have been estimated at \$2,000,000. The Municipality has assessed that it is not responsible to remediate the contamination and therefore has not recorded a liability.

The Municipality is a defendant in various lawsuits as at December 31, 2018. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of loss can be reasonably estimated, amounts have been included in accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 18. Salary and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officer by Alberta Regulation 313/2000 is as follows:

	Salary (a)	Benefits and Allowances (b,c)	Total 2018	Total 2017
Mayor Scott	\$ 133,352	\$ 24,271	\$ 157,623	\$ 26,222
Former				
Mayor Blake	-	96,748	96,748	130,521
Ward 1				
Councillor Allen	39,273	13,690	52,963	8,703
Councillor Balsom	39,273	16,781	56,054	9,209
Councillor McGrath	39,274	16,697	55,971	54,745
Councillor Meagher	39,273	13,630	52,903	51,768
Councillor Murphy	39,273	14,260	53,533	8,132
Councillor Peddle	39,273	13,690	52,963	8,703
Ward 2				
Councillor Inglis	39,273	11,553	50,826	8,347
Councillor Voyageur	42,674	10,267	52,941	48,517
Ward 3				
Councillor Lalonde	39,273	13,690	52,963	8,703
Ward 4				
Councillor Stroud	36,101	10,732	46,833	49,727
Former				
Councillor Ault	-	-	-	52,017
Councillor Bussieres	-	-	-	47,948
Councillor Cardinal	-	-	-	49,198
Councillor Chadi	-	-	-	2,947
Councillor Germain	-	29,102	29,102	50,870
Councillor Tatum	-	-	-	49,542
Councillor Vinni	-	-	-	56,322
Chief Administrative Officers				
Current	360,000	64,851	424,851	488,648
Former	-	-	-	499,709
Designated Officers (d)				
Current	408,508	109,255	517,763	293,685
Former	392,543	104,255	496,798	886,639
	\$ 1,687,363	\$ 563,472	\$ 2,250,835	\$ 2,890,822

- (a) Salaries are disclosed as gross wages paid.
- (b) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.
- (c) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, honorarium, car, travel and technology allowances.
- (d) The Municipality's four designated officers are the Regional Assessor, Chief Legislative Officer, Chief Financial Officer and Director of Planning and Development.

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

### Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

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#### 19. Segment disclosures

The Municipality provides a wide range of services to its ratepayers. Segment disclosures are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- (a) **Fiscal Services** provides financial and purchasing services for the Municipality.
- (b) **General Government** consists of corporate administration and general municipal services for the Municipality.
- (c) **Protective Service** is comprised of police, traffic safety, bylaw enforcement, fire rescue and ambulance services.
- (d) **Transportation** includes bus, roadway and parking services.
- (e) **Environmental Use and Protection** delivers services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, underground services, water and wastewater treatment, as well as community relation services in support of waste management programs.
- (f) **Public Health and Welfare** provides family and community support services along with cemeteries.
- (g) **Planning and Development** is comprised of the Community Development Planning branch, the Comprehensive Planning branch and the Safety Codes branch.
- (h) **Recreation and Culture** develops initiatives to provide opportunities and support in the areas of arts heritage and culture, and in recreation, sport and leisure.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the non-consolidated financial statements (Note 1).

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

## 19. Segment disclosures (continued)

	2018								
	Fiscal Services	General Government	Protective Services	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	2018 Total
Revenue:									
Net taxes available for municipal purposes	\$ 680,553,583	\$ -	\$ -	\$ 126,819	\$ 202,684	\$ -	\$ -	\$ -	\$ 680,883,086
Government transfers - operating and capital	-	92,719,837	9,542,854	-	-	2,753,030	-	19,217	105,034,938
Sales and user charges	-	2,666,175	2,553,834	2,087,729	40,975,416	30,105	193,978	664,832	49,172,069
Sales to other governments	-	350	231,039	-	2,378,460	-	-	-	2,609,849
Penalties and costs on taxes	4,860,801	191,104	-	-	243,047	-	-	-	5,294,952
Licenses and permits	-	428,801	2,445,886	(40)	(1,520)	-	2,046,081	420	4,919,628
Fines	-	-	3,560,958	-	-	-	-	-	3,560,958
Franchise and concession contracts	-	7,875,171	-	-	-	-	-	-	7,875,171
Returns on investments	-	22,540,163	(1,419)	66	-	850	-	10,975	22,550,635
Rentals	-	690,958	1,229,039	13,961	-	-	43,065	62,224	2,039,247
Developers' agreements and levies (expense)	-	21,017,127	-	-	-	-	-	-	21,017,127
Contributions of tangible capital assets	-	-	-	4,565,021	1,602,868	-	-	-	6,167,889
Other	-	5,727,675	3,087,342	-	-	-	31,932	196,027	9,042,976
Gain on disposal of tangible capital assets	-	10,252,458	-	(3,198,860)	-	-	-	-	7,053,598
	685,414,384	164,109,819	22,649,533	3,594,696	45,400,955	2,783,985	2,315,056	953,695	927,222,123
Expenses:									
Salaries, wages and benefits	-	62,285,485	51,408,985	40,694,309	31,576,448	3,528,082	10,959,061	17,951,148	218,403,518
Contracted and general services	-	68,268,722	3,775,495	15,958,956	12,450,123	588,623	3,813,506	4,342,597	109,198,022
Purchases from other governments	-	9,364	23,503,354	122,377	-	-	6,244	-	23,641,339
Materials, goods, supplies and utilities	-	9,766,768	1,738,581	13,379,154	5,560,744	215,131	326,340	1,405,141	32,391,859
Provision for (recoveries of) allowances	(1,911,041)	(1,593,130)	570,034	-	275,245	-	-	-	(2,658,892)
Transfers to local boards and agencies	-	-	-	-	-	-	-	71,500	71,500
Transfers to individuals and organizations	-	40,000	30,000	-	-	22,666,189	-	4,459,729	27,195,918
Bank charges and short-term interest	-	120,809	3,345	(21)	20,047	-	86,071	2,818	233,069
Interest on long-term debt	-	370,168	531,254	351,328	5,476,490	-	877,901	5,032,597	12,639,738
Other	-	145,260	(15)	50,000	933	-	-	(2)	196,176
	(1,911,041)	139,413,446	81,561,033	70,556,103	55,360,030	26,998,025	16,069,123	33,265,528	421,312,247
Annual surplus (deficit), before amortization	687,325,425	24,696,373	(58,911,500)	(66,961,407)	(9,959,075)	(24,214,040)	(13,754,067)	(32,311,833)	505,909,876
Amortization of tangible capital assets	-	5,633,503	5,226,665	40,515,894	38,400,012	-	176,774	21,776,500	111,729,348
Annual surplus (deficit)	\$ 687,325,425	\$ 19,062,870	\$ (64,138,165)	\$ (107,477,301)	\$ (48,359,087)	\$ (24,214,040)	\$ (13,930,841)	\$ (54,088,333)	\$ 394,180,528

Attachment: 1. 2019 Non-Consolidated Financial Statements (2018 Non-Consolidated Financial

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 19. Segment disclosures (continued)

	2017								
	(Restated - Note 24)								
	Fiscal Services	General Government	Protective Service	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	2017 Total
Revenue:									
Net taxes available for municipal purposes	\$ 729,738,482	\$ (152)	\$ -	\$ 127,681	\$ 203,810	\$ -	\$ -	\$ -	\$ 730,069,821
Government transfers - operating and capital	-	89,793,331	10,689,021	-	-	2,556,719	-	108,783	103,147,854
Sales and user charges	-	13,274,244	4,403,298	1,990,715	40,869,121	181,969	218,453	1,260,959	62,198,759
Sales to other governments	-	-	586,154	-	2,873,624	-	-	-	3,459,778
Penalties and costs on taxes	3,574,495	(959,939)	-	-	189,478	-	-	-	2,804,034
Licenses and permits	-	(356,796)	278,284	7,645	957	-	3,042,100	335	2,972,525
Fines	-	-	4,928,587	-	-	-	-	-	4,928,587
Franchise and concession contracts	-	7,802,627	-	-	-	-	-	-	7,802,627
Returns on investments	-	17,727,600	-	78	-	495	-	10,796	17,738,969
Rentals	-	770,172	970,311	14,141	-	-	25,730	29,965	1,810,319
Developers' agreements and levies	-	(2,138,881)	-	-	-	-	-	-	(2,138,881)
Contributions of tangible capital assets	-	-	-	17,438,734	12,427,883	-	-	-	29,866,617
Other	-	1,263,542	283,204	55,164	-	-	-	158,976	1,760,886
	733,312,977	127,175,748	22,138,859	19,634,158	56,564,873	2,739,183	3,286,283	1,569,814	966,421,895
Expenses:									
Salaries, wages and benefits	-	70,285,425	56,811,995	44,437,169	32,939,299	3,687,336	12,620,874	16,050,196	236,832,294
Contracted and general services	-	70,046,931	4,318,732	16,489,368	9,270,889	249,307	4,821,755	13,015,842	118,212,824
Purchases from other governments	-	39,291	23,253,681	806,384	-	-	3,262	-	24,102,618
Materials, goods, supplies and utilities	-	1,780,026	2,410,914	12,495,727	10,153,482	305,068	247,852	2,381,522	29,774,591
Provision for allowances	17,503,129	(491,535)	2,107,929	-	3,069,311	-	-	-	22,188,834
Transfers to local boards and agencies	-	-	-	-	-	-	-	143,000	143,000
Transfers to individuals and organizations	-	85,668	73,150	-	-	26,558,594	-	9,418,601	36,136,013
Bank charges and short-term interest	-	151,735	1,682	106	21,579	-	44,310	2,028	221,440
Interest on long-term debt	-	400,218	581,464	413,458	5,857,911	-	911,492	5,266,788	13,431,331
Other	45,002,590	52,766	-	24	700	-	-	-	45,056,080
Loss on disposal of tangible capital assets	-	2,222,734	-	-	-	-	-	-	2,222,734
	62,505,719	144,573,259	89,559,547	74,642,236	61,313,171	30,800,305	18,649,545	46,277,977	528,321,759
Annual surplus (deficit), before amortization	670,807,258	(17,397,511)	(67,420,688)	(55,008,078)	(4,748,298)	(28,061,122)	(15,363,262)	(44,708,163)	438,100,136
Amortization of tangible capital assets	-	5,873,984	5,343,427	32,099,574	42,571,714	-	224,111	24,888,034	111,000,844
Annual surplus (deficit)	\$ 670,807,258	\$ (23,271,495)	\$ (72,764,115)	\$ (87,107,652)	\$ (47,320,012)	\$ (28,061,122)	\$ (15,587,373)	\$ (69,596,197)	\$ 327,099,292

Attachment: 1. 2019 Non-Consolidated Financial Statements (2018 Non-Consolidated Financial

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

**20. Sales and user charges by segment**

	<b>Budget</b>	<b>2018</b>	<b>2017</b>
	(Note 21)		
Council and other legislative	\$ 18,000	\$ 21,960	\$ 16,580
General administration	258,540	2,547,200	10,966,666
Other general government	75,000	97,014	148,162
Police	567,000	745,081	635,300
Fire	145,000	130,344	157,520
Disaster and emergency measures	50,000	105,538	1,986,724
Ambulance and first aid	1,200,000	1,348,143	1,621,908
Bylaw enforcement	-	224,729	1,847
Common and equipment pool	-	87,889	(14,395)
Roads, streets, walks, lighting	182,000	481,076	406,772
Public transport	1,232,000	1,518,764	1,598,338
Water supply and distribution	15,078,300	16,539,436	16,969,001
Wastewater treatment and disposal	11,736,200	11,931,225	12,539,670
Waste management	14,124,400	12,504,755	11,360,450
Family and community support	-	-	177,240
Cemeteries and crematoriums	20,000	30,105	4,729
Land use planning, zoning and development	174,000	193,978	196,041
Land, housing and building rentals	-	-	22,412
Parks and recreation	134,300	664,832	1,239,133
Culture: libraries, museums, halls	-	-	21,826
Other*	-	-	2,142,835
<b>Total sales and user charges</b>	<b>\$ 44,994,740</b>	<b>\$ 49,172,069</b>	<b>\$ 62,198,759</b>

\* unbudgeted flood recovery



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 21. Budget data

The budget data presented in these non-consolidated financial statements is based upon the 2018 operating and capital budgets approved by Council.

Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these non-consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 705,352,467
Capital budget	251,649,356
Less:	
Transfers from other funds	141,894,229
Total revenue	815,107,594
Expenses:	
Operating budget	705,352,467
Capital budget	251,649,356
Less:	
Transfers to other funds	275,931,947
Capital expenditures	251,649,356
Long-term debt principal payments	17,301,000
Total expenses	412,119,520
Annual surplus	\$ 402,988,074

### 22. Financial instruments

The Municipality's financial instruments consist of cash, taxes and grants in lieu receivable, trade and other receivables, investments, accounts payable and accrued liabilities, deposit liabilities, employee benefit obligations and long-term debt. Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

It is management's opinion that the Municipality is not exposed to significant currency risks from its financial instruments. The Municipality is subject to credit risk with respect to taxes and grants in lieu receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customer minimizes the credit risk. The Municipality is subject to interest rate risk arising primarily from fluctuation in rates in its cash, investments and long-term debt.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 23. Fire Event

#### Overview

On May 1, 2016, a wildfire began southwest of Fort McMurray, in the Regional Municipality of Wood Buffalo.

#### Impact on the Financial Results

Costs incurred as a result of response or recovery efforts are capitalized or expensed in accordance with the accounting policies in Note 1. Only costs that represent a betterment, enhancement or new asset are capitalized, with repairs and maintenance being expensed.

The Municipality holds various insurance policies with multiple insurance providers which have been and will be used to fund a portion of the response and recovery efforts. The Municipality has received \$29,630,015 from insurance providers since 2016 relating to municipal assets and equipment destroyed or damaged by the wildfire with the final payout of \$9,531,000 (2017 - \$nil) received in 2018.

The Municipality applied and was approved for relief under the Province of Alberta's Alberta Emergency Agency's Disaster Recovery Assistance program (DRP). Advances totalling \$148,676,369 have been received from DRP since 2016 to assist in paying for financial commitments resulting from expenses incurred during and after the wildfire with \$nil (2017 - \$61,176,369) received in 2018. The DRP recovery efforts are forecast to be finished by 2021.

The following amounts recorded in the statement of operations and statement of financial position related to the wildfire of 2016 are as follows:

	2018	2017
Financial assets		
Trade and other receivables	\$ 43,889,665	\$ 16,216,185
	43,889,665	16,216,185
Liabilities		
Deferred revenue	684,059	3,748,316
	684,059	3,748,316
Net financial assets	\$ 43,205,606	\$ 12,467,869

	2018	2017
Revenue:		
Government transfers for operating	\$ 27,673,480	\$ 39,131,293
Sales and user charges	2,710,587	9,241,831
Other revenue	2,833,933	-
Gain on disposal of tangible capital assets	7,516,858	-
	40,734,858	48,373,124
Expenses (general government):		
Salaries, wages and benefits	1,882,951	2,719,916
Contracted and general services	21,772,704	39,168,296
Materials, goods, supplies and utilities	(127,867)	(251,165)
Other	(1,350)	1,350
	23,526,438	41,638,397
Annual surplus	\$ 17,208,420	\$ 6,734,727

#### Measurement Uncertainty

The impact of the wildfire was subject to a high degree of estimation and judgement, particularly as it relates to the estimation of future expenditures and impairment of assets. The Municipality has used the best information at the time in all measurements and estimations related to the wildfire and those estimates may not materialize and the final results and adjustments to these estimates will be reflected in future financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Non-Consolidated Financial Statements

For the year ended December 31, 2018

### 24. Restatement of prior year

A contribution of tangible capital assets was not reported in 2017. As a result, tangible capital assets and accumulated surplus - capital in the non-consolidated statement of financial position, and contributions of tangible capital assets and amortization expense in the non-consolidated statement of operations, were understated in the December 31, 2017 non-consolidated financial statements. The notes to the non-consolidated financial statement have been adjusted accordingly. The impact of the correction of the error on the 2017 non-consolidated financial statements is as follows:

Non-Consolidated Statement of Financial Position	2017 Balances		
	As Reported	Adjustment	Restated
<b>Non-financial assets</b>			
Tangible capital assets	\$ 3,902,417,456	\$ 23,831,621	\$ 3,926,249,077
<b>Accumulated surplus</b>			
Capital	4,128,469,884	23,831,621	4,152,301,505
<b>Non-Consolidated Statement of Operations</b>			
<b>Expenses:</b>			
Roads, streets, walks, lighting*	47,954,088	197,235	48,151,323
Storm sewers and drainage*	3,898,697	22,416	3,921,113
Water supply and distribution*	67,772,034	24,265	67,796,299
Wastewater treatment and disposal*	19,639,066	92,474	19,731,540
	139,263,885	336,390	139,600,275
<b>Other:</b>			
Contribution of tangible capital assets**	5,698,606	24,168,011	29,866,617
<b>Impact on annual surplus</b>	\$ (133,565,279)	\$ 23,831,621	\$ (109,733,658)

\* changes reflected in amortization expense in note 15

\*\* changes reflected in the transportation and environmental use and protection sections in note 19

### 25. Approval of financial statements

These financial statements were approved by Management and presented to the Council on April 9, 2019.

# **Regional Municipality of Wood Buffalo Quarterly Financial Report**

**For the quarter ended December 31, 2018**





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## EXECUTIVE SUMMARY



## BUDGET POSITION

### Operating Budget

The 2018 results finished with a \$64.5 million surplus which has been transferred to reserves. The actual results show a balanced budget as at December 31, 2018.

### Operating Revenues

Operating revenues to December 31, 2018 are \$800.2 million, a 3.4% budget increase.

Property tax assessments were below budget, as a result of lower appeals. Property tax revenue was higher, because of an increase in oil well drilling activities. The Municipality received higher sales and user charges attributed to increased utility sales as the number of occupied residential and commercial units increased. Licenses and permits were higher than budget due to a one-time reimbursement for permits from the Red Cross. The Municipality recorded higher returns on investments due to favourable interest rates in the market. Other revenue increased due to receipt of business interruption insurance proceeds. This compensated for loss of utility usage revenue during the 2016 wildfire; and in addition, unbudgeted revenues received from the sale of land.

### Operating Expenses

Operating expenses to December 31, 2018 are \$379.0 million (net of transfer to reserves of \$421.2 million), a 12.5% budget decrease.

Salaries, wages and benefits were decreased due to reduction in overtime spending, positions reduced through attrition and budgeted vacant positions not filled. As a result of the ongoing internal review for savings opportunities, further reductions were found in contracted and general services, and in materials, goods, supplies and utilities categories. Purchases from other governments were decreased due to lower charges for RCMP services, and a change in the billing method for RCMP overtime. Provision for allowances decreased from budget due to collection of outstanding accounts that had allowances in place.

## 2016 WILDFIRE

The Municipality has spent \$226.4 million in recoverable operating wildfire costs since May 2016 out of which \$15.4 million was incurred in the normal operations of the Municipality. The Province has advanced \$148.7 million for reimbursable expenses, Red Cross has advanced \$5.0 million and our insurance provider has paid \$29.6 million as of December 31, 2018.

Administration is continuing to work with the Province to quantify claims, presently the claim reimbursement rate is within the 95<sup>th</sup> percentile. The Red Cross has entered into an agreement with the Municipality to cover \$10 million of certain wildfire related costs and has advanced \$5.0 million, of which \$2.4 million has been spent on operating expenses, \$2.2 million has been received for permits not charged to residents and \$0.5 million has been spent on capital expenses. The Municipality has an agreement with the Government of Alberta, Ministry of Agriculture and Forestry to cover \$10.5 million of certain FireSmart wildfire related costs and has advanced \$7.0 million, of which \$1.5 million has been spent on operating expenses and \$0.9 million has been spent on capital expenses. Our insurance provider has settled with the Municipality on the Wildfire insurance claim and no further reporting is required.

Total Disaster Recovery Program (DRP) project summary estimate is \$312.9 million. As at December 31, 2018 \$200.0 million has been spent.



## FINANCIAL POSITION

### Capital

The Municipality approved the 2018 capital budget of \$251.6 million. At the end of December 2018, amendment reductions of \$12.8 million have occurred reducing the capital budget for 2018 to \$238.8. As of December 2018, \$189.1 million has been spent on the delivery of capital projects; this amount includes projects that were budgeted prior to 2018. The Construction of the Rural Water and Sewer Servicing project is 24% of the total spend.

### Investments

The Municipality has \$1.12 billion in investment holdings as of December 31, 2018. Returns on investments to December 31, 2018 total \$22.2 million with \$14.7 million from investment income and \$7.5 million of interest earned from bank accounts.

The overall bank balance, which includes investments, is \$1.2 billion. Of this amount, \$803 million are committed funds for received developer fees, received grant monies and committed reserves. These monies are designated to be spent against projects, programs or services.

### Debt

Municipal debt at December 31, 2018 of \$265.4 million has decreased by \$17.3 million since December 31, 2017, from debt repayment. The Municipality presently has a total debt commitment of \$421.8 million. Of this amount, \$156.4 million has not been drawn.

### Grants

To date the Municipality has received approval for \$48.9 million in capital grants and \$5.4 million in operating grants.

There are eight capital grant applications totaling \$159.5 million that have been submitted for consideration with the government. The capital grant applications include Alberta Community Resilience Program (ACRP) for \$32.4 million, Alberta Municipal Water/Wastewater Program (AMWWP) for \$50.3 million, Investing in Canada Infrastructure Program – Green Infrastructure (Federal) for \$8.0 million for the Fort Chipewyan Lift Station construction project, Investing in Canada Infrastructure Program – Green Infrastructure (Federal) for \$20.8 million for the Rural Water and Sewer Servicing project, Investing in Canada Infrastructure Program – Green Infrastructure (Federal/Provincial) for \$11.9 million for the Flood Mitigation project, Disaster Mitigation and Adaptation Fund (DMAF) for \$14.8 million, GreenTRIP Grant –round 2 for \$3.4 million and Investing in Canada Infrastructure Program – Public Transit for \$17.9 million.

Research into grant opportunities is an on-going process.

# BUDGET POSITION

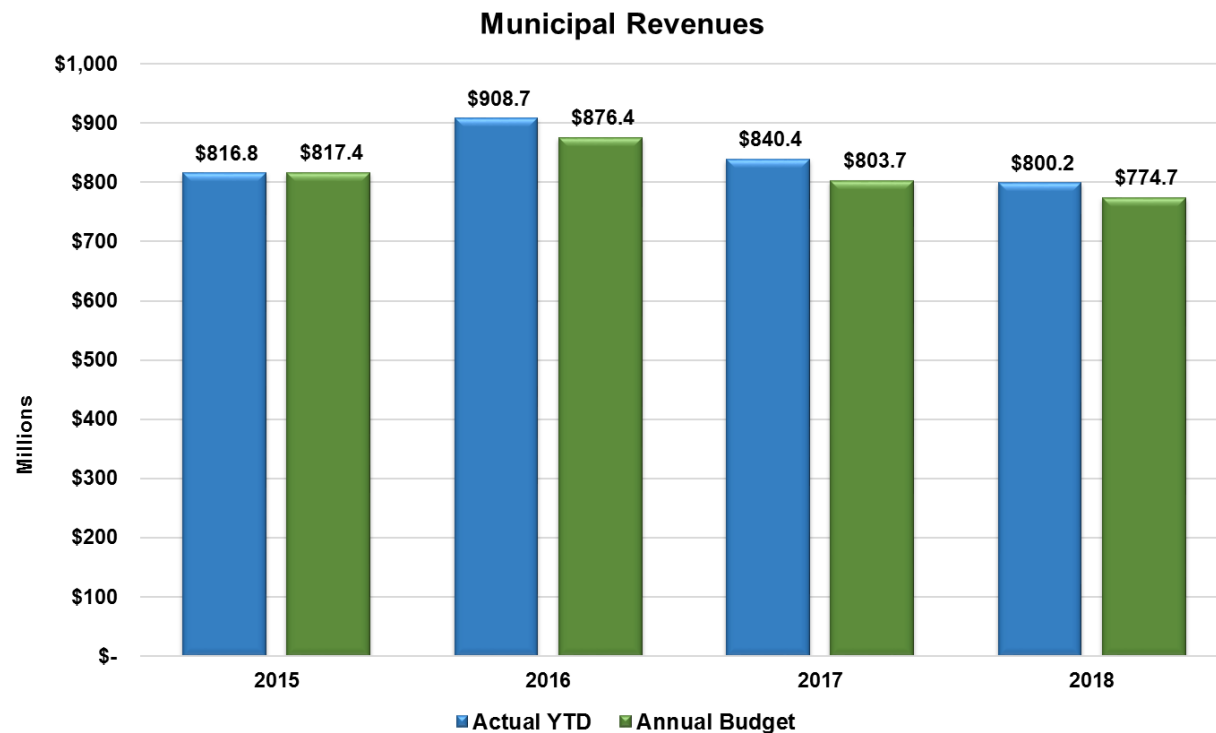
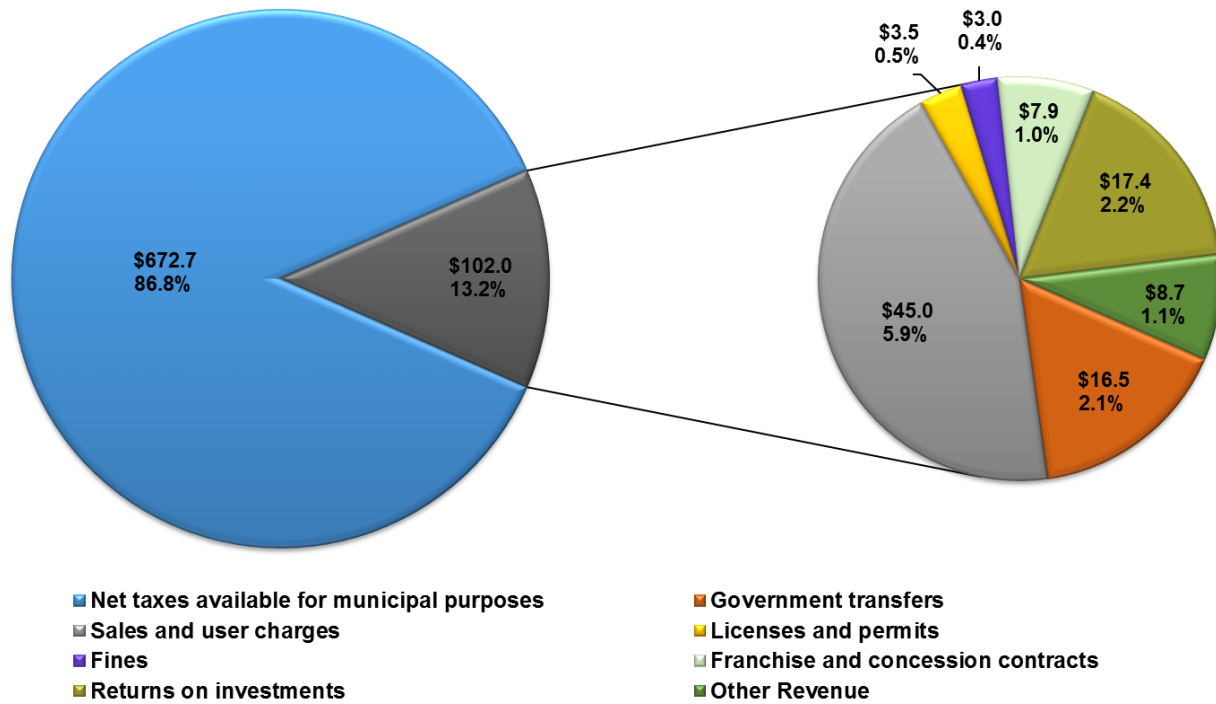


## Operating Budget

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**  
**Municipal Operating Revenues and Expenses**  
For the Period Ending December 31, 2018

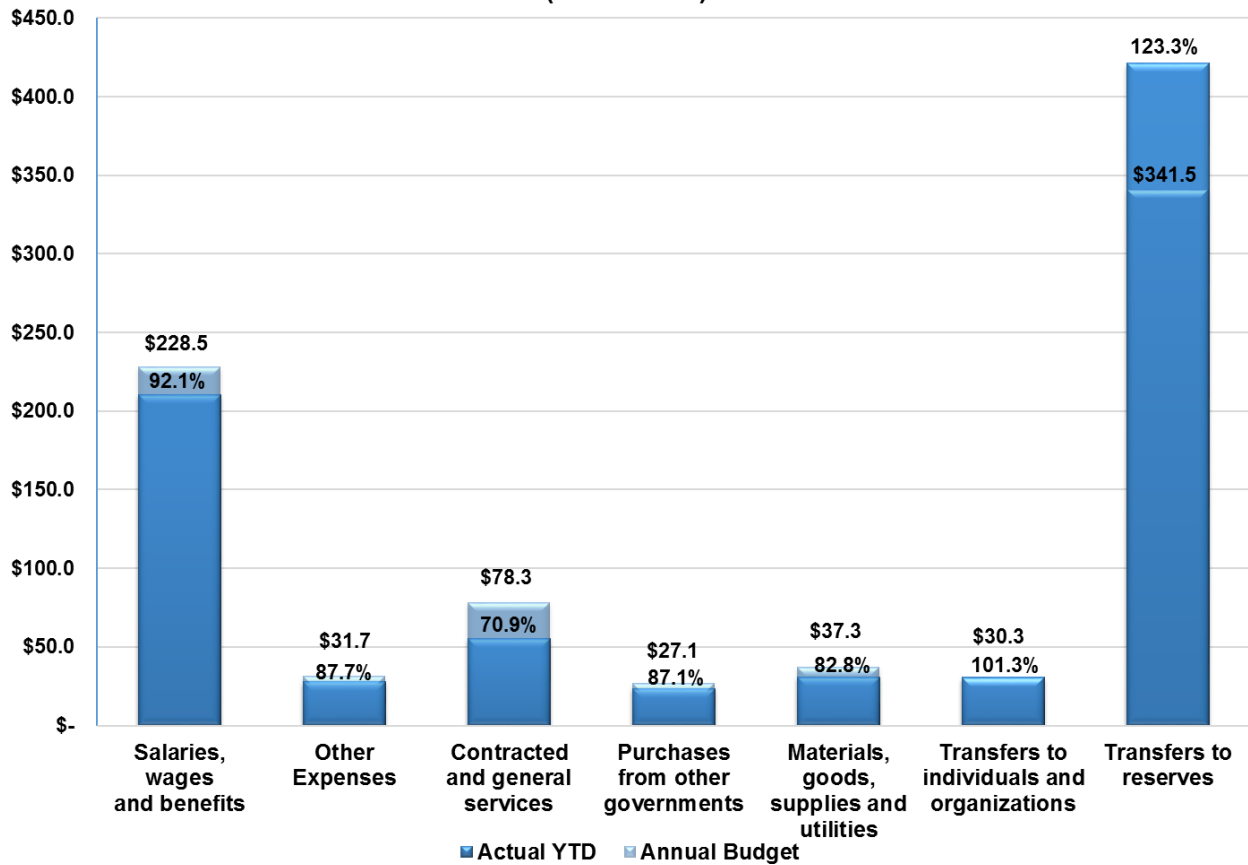
	December 2018 Actual YTD (A)	December 2018 Budget YTD (B)	Incr (Decr) to YTD Budget (A-B)
<b>Revenue:</b>			
Net taxes available for municipal purposes	\$ 680,883,086	\$ 672,728,941	\$ 8,154,145
Government transfers	17,241,974	16,537,075	704,899
Sales and user charges	47,072,780	44,994,740	2,078,040
Sales to other governments	2,609,849	2,596,471	13,378
Penalties and costs on taxes	5,294,952	4,312,300	982,652
Licenses and permits	4,919,628	3,470,400	1,449,228
Fines	3,560,958	3,040,000	520,958
Franchise and concession contracts	7,875,171	7,919,000	(43,829)
Return on investments	22,151,836	17,396,000	4,755,836
Rentals	2,039,247	1,475,300	563,947
Other	6,510,749	185,500	6,325,249
	800,160,230	774,655,727	25,504,503
<b>Expenses:</b>			
Salaries, wages and benefits	210,544,474	228,541,215	(17,996,741)
Contracted and general services	55,546,093	78,295,569	(22,749,476)
Purchases from other governments	23,641,339	27,113,700	(3,472,361)
Materials, goods, supplies and utilities	30,936,349	37,269,136	(6,332,787)
Provision for allowances	(2,658,892)	512,000	(3,170,892)
Transfers to local boards and agencies	71,500	743,000	(671,500)
Transfers to individuals and organizations	30,660,792	30,290,410	370,382
Bank charges and short-term interest	233,069	228,600	4,469
Interest on long-term debt	12,639,738	12,734,000	(94,262)
Other	68,616	95,150	(26,534)
Debenture repayment	17,300,936	17,301,000	(64)
Transfers to reserves/operations	421,176,216	341,531,947	79,644,269
	800,160,230	774,655,727	25,504,503
<b>Excess (deficit) operating revenues over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Operating Budget (continued)

2018 Revenue - Annual Budget  
(In Millions)

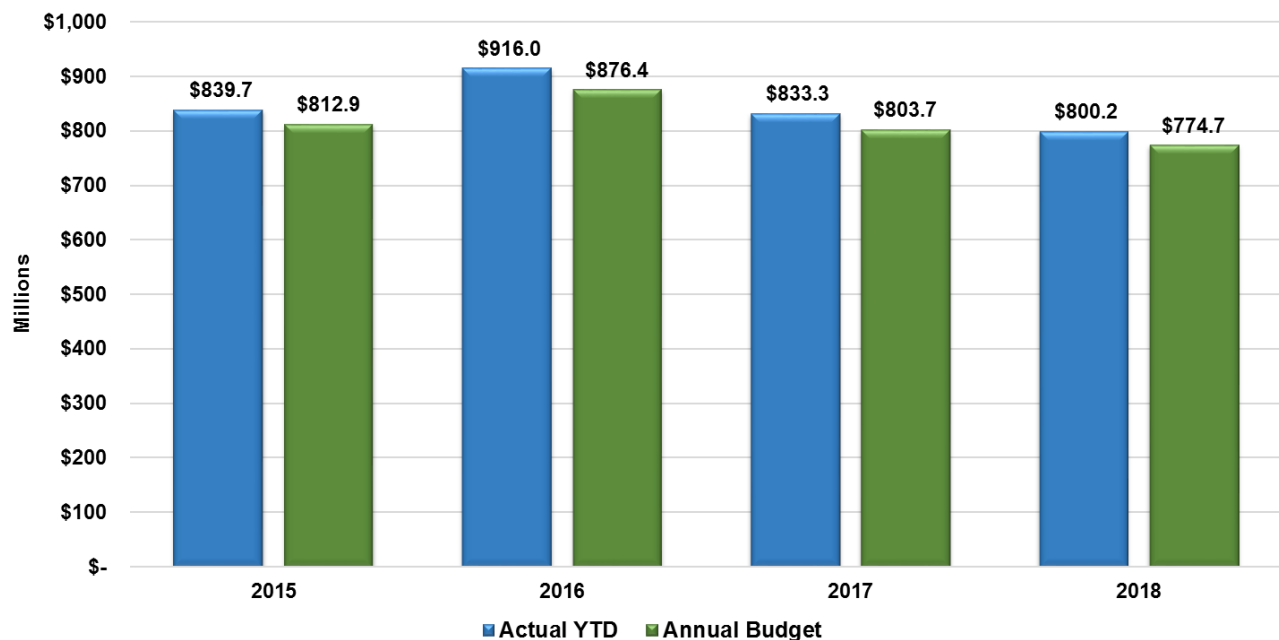
## Operating Budget (continued)

**2018 Expenses - Actuals YTD over Annual Budget  
(In Millions)**



\*Note - Percentages reflect actual YTD percentage of annual budget

**Municipal Expenses**



## Operating Budget (continued)

### REGIONAL MUNICIPALITY OF WOOD BUFFALO

#### Operating Summary Report by Division For the Period Ending December 31, 2018

	December 2018 Actual YTD (A)	December 2018 Budget YTD (B)	Incr (Decr) to YTD Budget (A-B)
<b>Mayor and Council</b>			
Revenues	\$ -	\$ -	\$ -
Expenses	998,529	1,325,320	(326,791)
<b>Division Surplus (Deficit)</b>	<b>(998,529)</b>	<b>(1,325,320)</b>	<b>326,791</b>
<b>Chief Administrative Officer</b>			
Revenues	28,679	22,000	6,679
Expenses	5,225,594	5,907,420	(681,826)
<b>Division Surplus (Deficit)</b>	<b>(5,196,915)</b>	<b>(5,885,420)</b>	<b>688,505</b>
<b>Corporate and Community Services</b>			
Revenues	8,020,409	6,536,975	1,483,434
Expenses	59,199,947	63,442,964	(4,243,017)
<b>Division Surplus (Deficit)</b>	<b>(51,179,538)</b>	<b>(56,905,989)</b>	<b>5,726,451</b>
<b>Financial Services</b>			
Revenues	492,899	426,000	66,899
Expenses	12,756,776	15,897,100	(3,140,324)
<b>Division Surplus (Deficit)</b>	<b>(12,263,877)</b>	<b>(15,471,100)</b>	<b>3,207,223</b>
<b>Communications, Stakeholder, Indigenous and Rural Relations</b>			
Revenues	116,095	75,840	40,255
Expenses	6,732,288	7,343,630	(611,342)
<b>Division Surplus (Deficit)</b>	<b>(6,616,193)</b>	<b>(7,267,790)</b>	<b>651,597</b>
<b>Engineering</b>			
Revenues	5,585	7,000	(1,415)
Expenses	6,379,274	8,114,768	(1,735,494)
<b>Division Surplus (Deficit)</b>	<b>(6,373,689)</b>	<b>(8,107,768)</b>	<b>1,734,079</b>
<b>Human Resources</b>			
Revenues	22,278	11,700	10,578
Expenses	8,381,112	10,067,963	(1,686,851)
<b>Division Surplus (Deficit)</b>	<b>(8,358,834)</b>	<b>(10,056,263)</b>	<b>1,697,429</b>
<b>Planning and Development</b>			
Revenues	11,102,468	10,530,800	571,668
Expenses	59,178,862	67,957,747	(8,778,885)
<b>Division Surplus (Deficit)</b>	<b>(48,076,394)</b>	<b>(57,426,947)</b>	<b>9,350,553</b>
<b>Public Works and Transit Services</b>			
Revenues	46,808,404	45,511,530	1,296,874
Expenses	155,537,560	173,784,785	(18,247,225)
<b>Division Surplus (Deficit)</b>	<b>(108,729,156)</b>	<b>(128,273,255)</b>	<b>19,544,099</b>
<b>Regional Emergency Services</b>			
Revenues	9,910,343	9,893,751	16,592
Expenses	37,540,410	39,671,968	(2,131,558)
<b>Division Surplus (Deficit)</b>	<b>(27,630,067)</b>	<b>(29,778,217)</b>	<b>2,148,150</b>
<b>Wood Buffalo Recovery Committee</b>			
Revenues	5,107,049	50,000	5,057,049
Expenses	430,609	137,810	292,799
<b>Division Surplus (Deficit)</b>	<b>4,676,440</b>	<b>(87,810)</b>	<b>4,764,250</b>
<b>Corporate</b>			
Revenues	718,546,021	701,590,131	16,955,890
Expenses	447,799,269	381,004,252	66,795,017
<b>Division Surplus (Deficit)</b>	<b>270,746,752</b>	<b>320,585,879</b>	<b>(49,839,127)</b>
<b>Municipal Operations Revenue</b>	<b>800,160,230</b>	<b>774,655,727</b>	<b>25,504,503</b>
<b>Municipal Operations Expenses</b>	<b>800,160,230</b>	<b>774,655,727</b>	<b>25,504,503</b>
<b>Municipal Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>







## 2016 Wildfire

### Wildfire 2016 Recoverable Costs Summary May 1, 2016 to December 31, 2018

	Approved Submissions	Submitted - Not Yet Approved	In Preparation	Total
Response Costs	\$ 108,621,957	\$ 24,190,441	\$ 4,945,241	\$ 137,757,639
Recovery Costs	23,698,965	10,385,380	33,417,455	67,501,800
Insurable Costs	18,286,678	-	-	18,286,678
Red Cross Funded Costs	483,786	-	1,081,080	1,564,866
FireSmart Funded Costs	996,724	-	282,823	1,279,547
<b>Total Wildfire 2016 Recoverable Costs</b>	<b>\$ 152,088,110</b>	<b>\$ 34,575,821</b>	<b>\$ 39,726,599</b>	<b>\$ 226,390,530</b>

### Municipal 2016 Wildfire Recoverable Costs Details May 1, 2016 to December 31, 2018

	Response Actual	Recovery Actual	Insurance Actual	Red Cross Actual	FireSmart Actual	Total Actual
<b>Cost Reimbursements:</b>						
Disaster Recovery Program Funding	\$ 125,064,429	\$ 67,501,605	\$ -	\$ -	\$ -	\$ 192,566,034
Red Cross Advance	-	-	-	2,365,041	-	2,365,041
FireSmart Advance	-	-	-	-	1,278,767	1,278,767
Insurable Advance	-	-	18,286,678	-	-	18,286,678
Welcome BBQs Funding	585,758	-	-	-	-	585,758
Refunded permits	-	-	-	(800,175)	-	(800,175)
Fort McMurray Airport - reimbursement	20,505	-	-	-	-	20,505
	125,670,692	67,501,605	18,286,678	1,564,866	1,278,767	214,302,608
<b>Reimbursable Expenses:</b>						
Salaries, wages and benefits	6,164,919	4,582,335	-	39,332	85,012	10,871,598
Contracted and general services	105,538,550	62,339,528	18,286,678	890,008	1,193,574	188,248,338
Materials, goods, supplies and utilities	10,614,803	579,937	-	635,276	961	11,830,977
Other Expenditures	-	-	-	250	-	250
Total reimbursable expenses not in operating results	122,318,272	67,501,800	18,286,678	1,564,866	1,279,547	210,951,163
Other recoverable expenses in operating results	15,439,367	-	-	-	-	15,439,367
<b>Total Reimbursable Expenses:</b>	<b>137,757,639</b>	<b>67,501,800</b>	<b>18,286,678</b>	<b>1,564,866</b>	<b>1,279,547</b>	<b>226,390,530</b>
<b>Excess (Deficit) of Cost Reimbursements</b>	<b>\$ (12,086,947)</b>	<b>\$ (195)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (780)</b>	<b>\$ (12,087,922)</b>

### Disaster Recovery Program (DRP) Project Summary May 1, 2016 to December 31, 2018

	RMWB Project Estimate	Actuals To Date	Remaining
Response Operations	\$ 135,851,656	\$ 134,217,557	\$ 1,634,099
Response Infrastructure	3,584,192	4,217,884	(633,692)
<b>Total Response</b>	<b>139,435,848</b>	<b>138,435,441</b>	<b>1,000,407</b>
Recovery Operations	78,106,252	40,049,978	38,056,274
Recovery Infrastructure	95,351,895	21,491,521	73,860,374
<b>Total Recovery</b>	<b>173,458,147</b>	<b>61,541,499</b>	<b>111,916,648</b>
<b>DRP Ineligible</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DRP Total</b>	<b>\$ 312,893,995</b>	<b>\$ 199,976,940</b>	<b>\$ 112,917,055</b>

# FINANCIAL POSITION

## Capital

### Capital Project Spending

Capital expenditures are funds used by the Municipality to build, acquire or upgrade existing physical assets after considering end of life cycle needs. The Municipality approved the 2018 capital budget of \$252.4 million which includes \$0.8 million for Public Art and \$251.6 million of capital projects. At the end of December 2018 capital amendment reductions of \$12.8 million have occurred, bringing the revised capital budget balance to \$238.8 million. Below is a summary of the top 20 capital project spending to December 31, 2018.

## REGIONAL MUNICIPALITY OF WOOD BUFFALO

### Capital Project Spending

For the Period Ending December 31, 2018

Project Name	2018 Actual YTD \$
<b>Top 20</b>	
Rural Water and Sewer Servicing - Construction	45,884,106
Rural Infrastructure Rehabilitation 2015-2017 - Construction	32,454,355
Clearwater Drive (Prairie Loop Boulevard)	10,854,785
Urban Infrastructure Rehab 2018 - Construction	9,558,391
Urban Infrastructure Rehabilitation 2014-2016 - Construction	9,278,127
Conklin Multiplex - Construction	9,000,531
Urban Infrastructure Rehabilitation 2017 - Construction	7,683,706
Land Acquisition 2016	4,394,934
Confederation Way Sanitary Sewer Phase 2 - Construction	4,233,883
Fort Chipewyan Water Treatment Plant Expansion - Construction	3,981,723
Transit Facility (Green Trip) - Construction	3,635,379
Urban Arterial Boulevard Improvements & Beautification	3,424,354
Thickwood Perimeter Sewer - Construction	2,441,939
Land Acquisition 2013-2014	2,224,556
King Street Bridge Rehabilitation	1,914,537
Urban Infrastructure Rehabilitation 2016-2018 - Design	1,906,871
Thickwood Reservoir Replacement - Construction	1,788,259
MacDonald Island Park Sustaining Capital Grant 2018	1,503,000
2016 Heavy Equipment Replacements	1,481,491
Building Life Cycle 2014-2016	1,453,451
<b>All Other Project Costs</b>	<b>30,040,261</b>
<b>Total Capital Spending</b>	<b>\$ 189,138,639</b>

*\*Spending equals total Settlement for the year driven by Service Entry Sheet entries on capital internal orders*

WWTP = Waste Water Treatment Plant

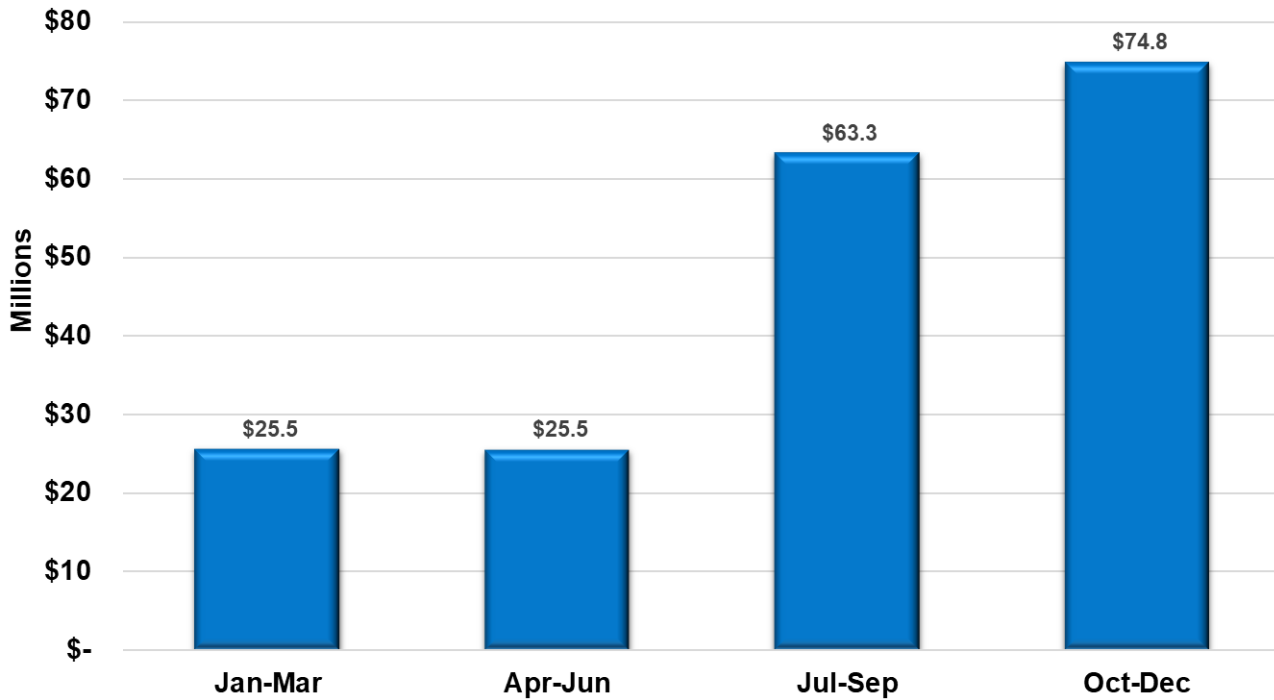


## Capital (continued)

### Total Capital Spending

During the year to December 2018, a total of \$189.1 million was spent on the delivery of capital projects this spending included projects that were budgeted in prior years. The below graph illustrates the quarterly spending for capital project delivery to December 2018.

**2018 Total Capital Project Spending**



*\*Spending equal totals added to assets under construction during the quarter.*

## Investments

The Investment Policy FIN-140, outlines the investment objectives, benchmarks and parameters. This Policy is reviewed annually by Administration with changes recommended to Council for approval. Permissible investments are restricted to fixed income securities that meet the investment objectives and parameters.

The table below shows the activity in the investment holdings for each investment type. As of December 31, 2018, the Municipality has investment holdings with an amortized cost of \$1,118.7 million and a market value of \$1,115.1 million.

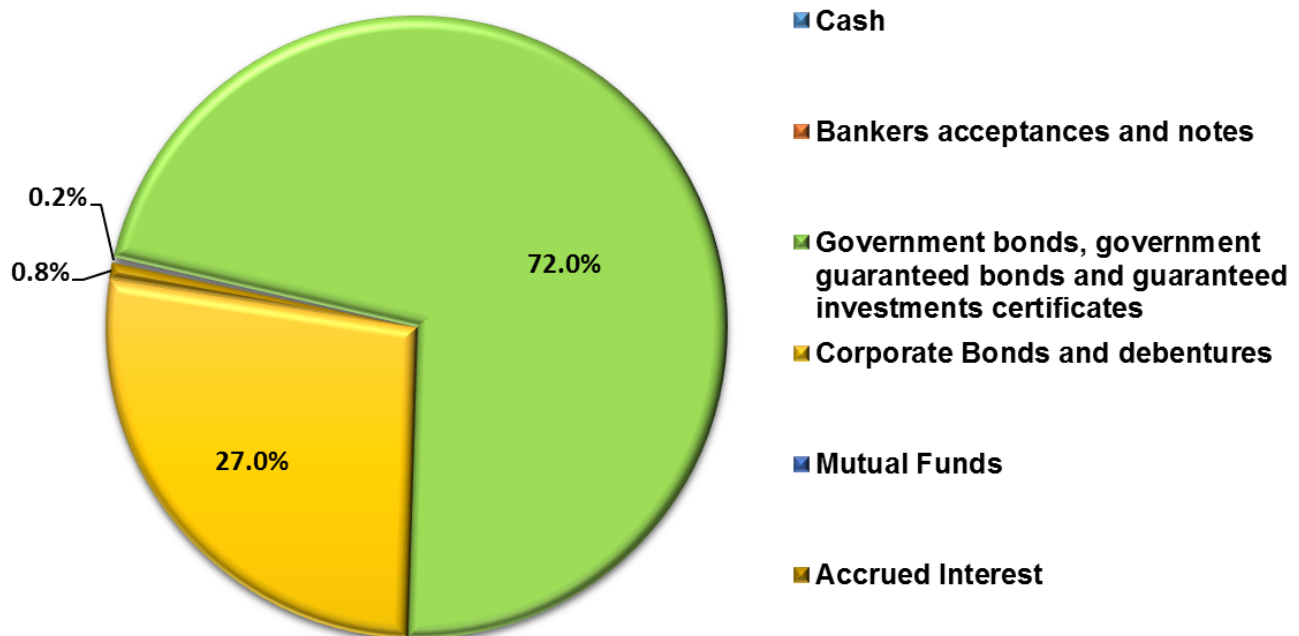
### Investment Holdings

(In Millions)

Type:	Amortized Cost @ December 31, 2017	Amortized Cost @ December 31, 2018	Market Value @ December 31, 2018
Cash	\$ 43.8	\$ 0.4	\$ 0.4
Bankers acceptances and notes	3.0	2.7	2.7
Government bonds, government guaranteed bonds and guaranteed investments certificates	654.1	804.1	806.2
Corporate Bonds and debentures	169.0	302.0	296.3
Mutual Funds	59.8	0.0	0.0
Accrued Interest	2.7	9.5	9.5
<b>Total</b>	<b>\$ 932.4</b>	<b>\$ 1,118.7</b>	<b>\$ 1,115.1</b>

Returns on investments to December 2018 are \$22.2 million, with \$14.7 million from investment income and \$7.5 million of interest earned from bank accounts.

**Investment Holding by Type  
(Book Values)**



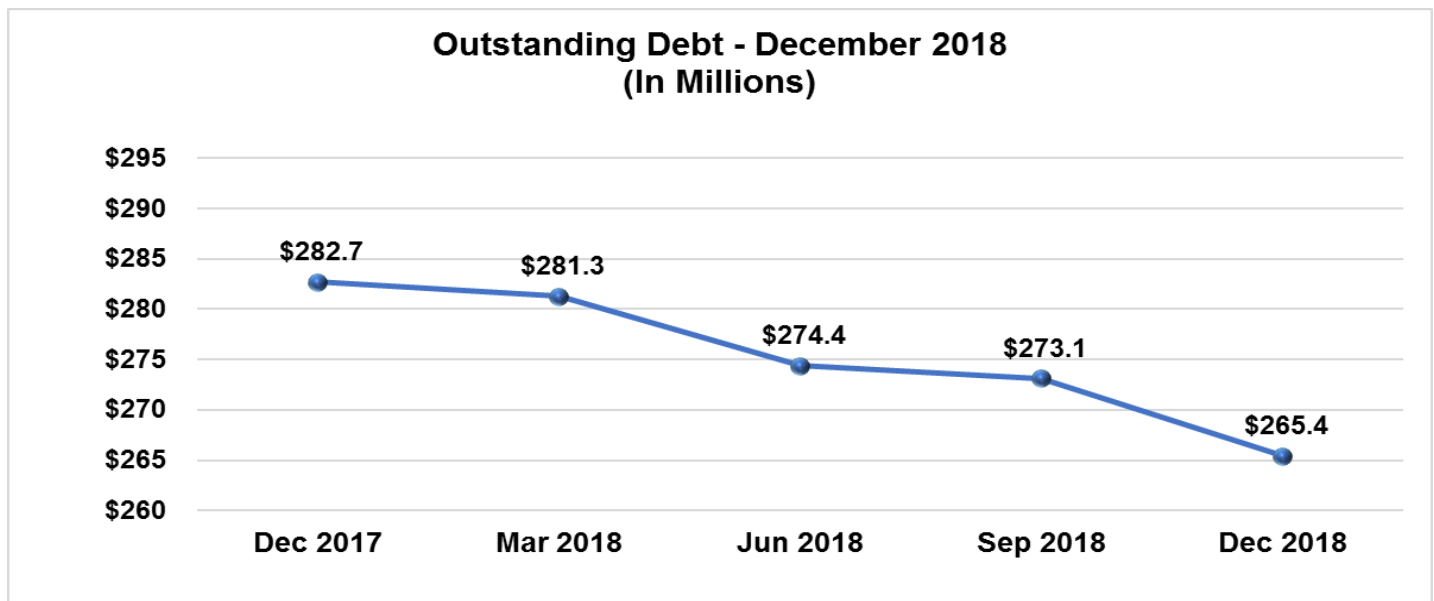
## Debt

Authority to incur debt for municipalities in Alberta is granted through Alberta Regulation (AR) 255/2000 of the Alberta Municipal Government Act (MGA) and in special cases, variation can be granted through a Ministerial Order. Sections 251 through 274 of the MGA provides guidance regarding indebtedness for operating and capital purposes.

The general debt limits for municipalities in Alberta allow for debt of 1.5 times revenue and 0.25 times revenue for debt service. Regional Municipality of Wood Buffalo's debt limit is set at 2 times revenue and debt service limit is set at 0.35 times revenue through AR255/2000.

Council, through the Debt Management Policy (FIN-120), set the Municipality's limits at 85% of the Alberta Debt Limit Regulation (AR) 255/2000.

As of December 31, 2018, the Municipality has \$265.4 million in committed drawn debt, \$156.4 million in committed undrawn debt and a total debt commitment of \$421.8 million.



There is net decrease in debt from December 31, 2017 to December 31, 2018 of \$17.3 million due to principal payments.

## Grants

REGIONAL MUNICIPALITY OF WOOD BUFFALO  
Summary of Capital and Operating Grants Awarded  
As At December 31, 2018

Past & Current Capital Grants	2018	2013-2017	Information
<b>Provincial and Federal Allocations</b>			
Basic Municipal Transportation Grant (BMTG)	\$ -	\$ 4,604,388	This program has been rolled into the MSI Grant as of 2014.
Federal Gas Tax Fund (FGTF)	6,324,684	30,954,382	\$6,000,000 budgeted in 2017. Actual allocations determined by Federal and Provincial Budgets.
Municipal Sustainability Initiative (MSI)	16,944,998	132,528,498	\$18,000,000 budgeted in 2017. Actual allocations determined by Provincial Budget.
MSI Additional	23,571,422	12,079,872	BMTG was rolled into this program in 2014.
			Part of 2014 Provincial Fiscal Budget ending March 31, 2015.
<b>Engineering</b>			
Alberta Community Partnership (ACP)	-	779,000	Fort Chipewyan Swimming Pool.
Alberta Community Resilience Program (ACRP)	-	10,000,000	Flood Mitigation Project (Deferred).
Alberta Municipal Water/Wastewater Partnership (AMWWP) - Conklin WTP Phase 1 Expansion	-	4,286,347	Original approval in 2004 was for a \$922,500 contribution under the AMWWP program. A cost revision funding request was submitted in 2016 which resulted in additional AMWWP contribution of \$4,286,347 under AMWWP. Total grant \$5,208,847.25.
Alberta Municipal Water/Wastewater Partnership (AMWWP) - Conklin WTP Phase 2 Upgrades - Construction	-	764,354	Application submitted Nov 2015. Revised November 2016. Approved for \$764,354 representing 27% of eligible costs.
Alberta Municipal Water/Wastewater Partnership (AMWWP) - Fort Chipewyan WTP Expansion	-	19,756,092	Application submitted Nov 2015. Revised January 21, 2016. Approved for \$19,756,092 representing 69.64% of eligible costs.
Alberta Transportation - Project Specific Grant	-	2,000,000	Highway 69 Intersection improvements at West Airport Boundary Road.
Alberta Transportation - Project Specific Grant	-	853,891	Highway 63 intersection improvements at Highway 69 and Mackenzie Blvd.
Alberta Transportation - Project Specific Grant	-	57,399	Landfill Access Upgrading.
Canada 150 Program - Administered by Western Economic Diversification Canada	-	200,000	2017 - Anzac Community Centre Upgrades
Community Infrastructure Improvement Fund - Administered by Western Economic Diversification Canada		245,160	2013 - Westwood/Westview Community Park upgrade (Community Infrastructure Improvement Fund)
Community Facility Enhancement Program (CFEP)	123,500		The Ptarmigan Nordic Ski Club with the support of the Regional Municipality of Wood Buffalo has secured a grant to offset 50% of the cost of the Furniture, Fixtures and Equipment required for the Doug Barnes Cabin Expansion - Construction project.
Flood Recovery and Erosion Control Program	-	7,043,525	Five Riverbank Protection Projects.
Strategic Transportation Infrastructure Program (STIP)	-	574,035	Fort Chipewyan Winter Road Culvert Replacement (\$765,380 total cost) 75% approved
<b>Public Works and Transit Services</b>			
Airport Capital Assistance Program (ACAP) Funding	1,588,208	-	Airfield Lighting Rehabilitation Project at Fort Chipewyan Airport
GreenTRIP Round 1	-	26,670,000	Transit Facility.
GreenTRIP Round 1	-	9,255,000	Transit Bus Purchases.
GreenTRIP Round 3	-	6,459,000	Bus Bay Turn-out project
GreenTRIP Round 3	-	842,560	Airporter/Paratransit
GreenTRIP Round 3	-	1,276,667	Shelter Additions.
GreenTRIP Round 3	-	21,570,614	Intelligent Transportation System.
Public Transit Infrastructure Program (PTIF)	-	3,451,000	Bus Bay Turn-out project
Fort McMurray Fire Relief Fund			
Rotary District 5370 Charitable Foundation	75,000	-	Fort McMurray Port of Entry Rebuild Project
Adventurer Foundation and Fraserway RV	310,000		A donation towards the cost of construction of the Christina Gordon Playground was provided by the Adventurer Foundation, a donor advised fund at The Foundation Office.ca, is the official giving foundation of Fraserway RV LP and the Adventurer Group of Companies.
<b>Regional Emergency Services</b>			
9-1-1 Grant	-	320,000	2015 Amount was transferred from Operating for Capital Project. 2016 Amount is Q1 and Q2 amount. The grant runs from July 1st to June 30th annually. 9-1-1 Grants are calculated quarterly based on 9-1-1 revenue and population served by the Public Safety Answering Point (PSAP).
<b>Total Capital Grants</b>	<b>\$ 48,937,812</b>	<b>\$ 296,571,783</b>	



## Grants (continued)

Capital Grant Applications in Progress	Amount	Information
<b>Engineering</b>		
First Nations Water Tie-In Program	\$ -	A new funding opportunity is being administered by Alberta Transportation and Alberta Indigenous Relations Department. Provincially, there is \$100 M available over the next 4 years (\$25M per year). Funding would be available to integrate drinking water systems with federally supported water systems. The goal is to bring clean, reliable drinking water to all First Nations across the province. First Nations would have the support of Indigenous and Northern Affairs Canada (INAC) for their portion. Funding for the initial Feasibility Study will be provided under this program as a first step.
Alberta Community Resilience Program (ACRP)	32,386,009	The Alberta Community Resilience Program (ACRP) is a multi-year grant program supporting the development of long-term resilience to flood and drought events, while supporting integrated planning and healthy functioning watersheds. Engineering submitted an application for eligible components of the Prairie Loop Boulevard Flood Reach 3 and Flood Reach 4 projects in 2017. The applications did not receive funding in the 2018-2019 fiscal year and costs were updated in September for consideration in 2019-2020. Applications were also submitted in September for Flood Reaches 7,8,9,10 and 10 JHP. Given the complexity and cost of the project, the RMWB also submitted applications for funding for eligible Flood Reaches to the Investing in Canada Infrastructure Program and the Disaster Mitigation Adaptation Fund.
Alberta Municipal Water/Wastewater Program (AMWWP)	50,296,784	The application for funding of the Rural Water and Sewer Servicing (RWSS) Project was originally submitted in 2015 and was updated for the 2018/2019 AMWWP program. Estimated eligible costs are \$55.3M. If successful, the program could fund up to 75% of these costs. Also, additional grant funds of \$4,050,246 have been requested for the Fort Chipewyan Water Treatment Expansion Project. This project was awarded a grant in 2016 of approximately \$19.7M based on estimates. The projects actual costs are higher than originally estimated so additional grant funding has been requested. In 2018, an application was submitted for the Fort Chipewyan Lift Station #1. Estimated eligible cost is \$6.9M. If successful, the grant may fund approximately 69% of the eligible costs.
Investing in Canada Infrastructure Program (ICIP) Green Infrastructure Fort Chipewyan Lift Station Construction Project	8,000,000	An expression of interest was submitted to the Investing in Canada Infrastructure Program (ICIP) for federal funding towards the Fort Chipewyan Lift Station Construction Project.
Investing in Canada Infrastructure Program (ICIP) Green Infrastructure Rural Water and Sewer Servicing (RWSS)	20,810,764	An expression of interest was submitted to the Investing in Canada Infrastructure Program (ICIP) for federal (up to 40%) funding towards eligible components of the Rural Water and Sewer Servicing.
Investing in Canada Infrastructure Program (ICIP) Green Infrastructure Flood Mitigation	11,880,000	The RMWB is seeking federal and provincial funding for flood mitigation work on Reaches 7,8,9 and 10. Total project cost for these sections is estimated at \$29.7M.
Disaster Mitigation and Adaptation Fund (DMAF)	14,823,640	The RMWB is seeking federal funding for flood mitigation work on Reaches 7,8,9 and 10. Total project cost for these sections is estimated at \$29.7M.
<b>Public Works and Transit Services</b>		
GreenTRIP Grant - Round 2	3,401,870	Application submitted in GreenTRIP Grant Round 2 for 66 2/3 % of project costs. Funding requested - Transit Terminal - \$3,401,870. Consideration of application is on hold until location of transit terminal has been determined.
Investing in Canada Infrastructure Program - Public Transit	17,905,869	Under the Investing in Canada Infrastructure Program (ICIP), the Regional Municipality of Wood Buffalo has been advised of an allocation of \$17.9M over the next 10 years. Applications will need to be submitted for approval to utilize this allocation.
<b>Total Capital Grant in Progress</b>	<b>\$ 159,504,936</b>	

## Grants (continued)

Operating Grant Applications in Progress	Amount	Information
<b>Corporate and Community Services</b>		
Aging Well in the Community	100,000	An application has been submitted to the Aging Well in the Community grant program through Alberta Seniors and Housing. If successful, the funding will be used to conduct the Wood Buffalo Accessibility Audit and Work Plan.
Connect to Innovate	3,041,055	The Connect to Innovate program will invest up to \$500 million by 2021, to bring high-speed Internet to rural and remote communities in Canada. This program will support new "backbone" infrastructure to connect institutions like schools and hospitals with a portion of funding for upgrades and "last-mile" infrastructure to households and businesses. Application was submitted by IT April 2017. Estimated project costs \$6,486,432. Funding requested \$3,041,055.
Family and Community Safety Program (FCSP)	182,700	The Corporate and Community Services Department submitted an application to the Family and Community Safety Program (FCSP) for funding to be used towards Counselling Services.
<b>Public Works</b>		
Celebrate Canada Funding	49,900	The Recreation and Culture division of the Public Works Department has submitted an application to the Celebrate Canada program for funding for the 2019 Canada Day Celebrations.
<b>RCMP Support Services</b>		
Victims of Crime Fund - Grant to Victims Services	76,076	Grant to provide services that benefit victims or a class or classes of victims during their involvement with the criminal justice process. Additional grant funding of \$38,038 for each year (2019 and 2020) has been requested.
<b>Regional Emergency Services</b>		
Fire Services Training Program (FSTP)	8,500	This program supports the expansion and enhancement of regional fire service training. The objective is to provide an effective and cost-efficient mechanism for increased training capacity that results in a greater number of trained fire service personnel. The RMWB submitted an application for 2018 requesting funding of \$8,500.
<b>Human Resources</b>		
Summer Temporary Employment Program (STEP) Program	TBD	STEP is a 4 - 16 week wage subsidy program that provides funding to eligible Alberta employers to hire high school or post-secondary students into summer jobs from May to August. A standardized wage subsidy of \$7.00/hour to a maximum of 37.5 hours/week will be provided to approved applicants. The deadline for applications for the 2019 program is Feb 8th, 2019.
<b>Total Operating Grant in Progress</b>	<b>\$ 3,458,231</b>	

## Grants (continued)

Unsuccessful Capital and Operating Applications	2018	2013-2017	Information
2015 Alberta Blue Cross - Healthy Communities Grant	\$ -	\$ 50,000	Application submitted for Father Turcotte School Playground Design Build.
2016 Alberta Blue Cross - Healthy Communities Grant	-	50,000	Application submitted for Father Turcotte School Playground Design Build.
2017 Edible Trees Program	-	4,000	Tree Canada 2017 Edible Trees Program offers funding up to \$4,000 and other resources for community-based projects that provide residents with access to fresh fruit and nut trees. Application deadline was February 24, 2017. Parks submitted an application for funding but were not successful.
AgriSpirit Fund - RES - Fire Training Props	25,000		
AMWWP - Water for Life (WFL) Program	-	50,000,000	An application was submitted for the Southeast 881 Water Supply Line. Based on potential cost share ratios and eligible components, the estimated grant request for this project is approximately \$50M. This project was not approved as the RMWB received funding from this program for the original SE 881 Water Supply Line and therefore are not eligible for funding for the current project.
Building Canada - Small Communities Fund	-	6,000,000	Applications submitted for two projects - Beacon Hill Outfall and Pipeline Upgrade and the Rural Water and Sewer Servicing.
Canada 150 Community Infrastructure Program	-	500,000	Application submitted for Cricket Pitch Upgrades - Syncrude Athletic Park Project.
Canada 150 Program - Administered by Western Economic Diversification Canada	-	200,100	The RMWB submitted two applications to the Canada 150 Program, which is administered by Western Economic Diversification Canada. Due to limited funding available, the application submitted for \$200,100 towards the upgrade of the playground at St. Kateri School (Community Playground Replacement IO 600864) was not successful.
Civil Forfeiture Grant (CFG)	-	200,000	Community and Protective Services submitted a Letter of Intent (LOI) for funding of \$200,000 from the Civil Forfeiture Grant through the Government of Alberta. The project was called the Child Abuse Victim Advocacy Enhancement Project and their partner would have been the Wood Buffalo Child and Youth Advocacy Centre Steering Committee.
Forest Resource Improvement Association of Alberta (FRIAA) - FireSmart Program (EOI's)	-	400,000	The FRIAA FireSmart Program is separate and independent from the Government of Alberta's FireSmart Community Grant Program. On February 23, (4) EOI's were submitted for FireSmart projects in Fort Chipewyan, Gregoire Lake Estates, Thickwood Hill and Anzac. Maximum amount of funding for a single project in this round will be \$200,000 over the life of the project. We have been advised that two of our EOI's (Anzac and GLE) were successful in moving on to the full proposal stage (deadline April 25, 2017) while two EOI's (Fort Chipewyan and Thickwood Hill) were not successful. (Note: Earlier this year, the RMWB successfully secured funding under this program in a previous round in the amount of \$750,000 for hazard reduction activities in Anzac and the Birchwood Trails/Conn Creek area, the development of a mitigation strategy and for a public education program.
Hockey Alberta - Every Kid Every Community Grant	-	5,000	Program grants up to \$5,000 are available for the creation or support of an existing program that will focus on recruiting new players to the game of hockey regardless of age, skill or environmental factors. Community Services applied for this grant to assist with costs related to the Shootout on the Snye. Due to the large volume of applications received, Hockey Alberta advised that they were unable to provide a grant this year but to continue to apply in future years.
Strategic Transportation Infrastructure Program (STIP)	-	594,000	Application was submitted in 2017 for up to 75% funding - Culvert Rehabilitation Hwy 63 at Fort Hills (\$594,000). This bridge file was not recommended for approval because it was not a local road bridge and therefore deemed to be not eligible.
Summer Student Employment Program (STEP)	42,000	-	Human Resources had requested funding for 10 summer student positions at \$4,200 per student.
Tree Canada - Tree to Our Nature	-	5,000	In celebration of Canada's 150th anniversary, Tree Canada will be providing 150 grants of \$5,000 to successful recipients of the Tree to our Nature program. Parks submitted an application for funding in February however it was not successful.
<b>Total Unsuccessful Capital and Operating Applications</b>	<b>\$ 67,000</b>	<b>\$ 58,008,100</b>	

## Grants (continued)

Operating Grants	2018	2013-2017	Information
<b>Corporate and Community Services</b>			
Celebrate Canada Grant	\$ 9,000	\$ 27,000	Canadian Heritage provides financial support for Canada Day activities.
Coalitions Creating Equity Program (CCE)	123,000	-	Community Services has developed an application for funding to the Alberta Human Rights and Multiculturalism Grant Program for the Wood Buffalo Equity Coalition Program which will be delivered by the Regional Advisory Committee on Inclusion, Diversity and Equality (RACIDE).
Community Inclusion Grant	20,000	10,000	Alberta Justice and Solicitor General - Human Rights, Education and Multicultural Fund 2016 - Diversity Plan 2016 and Beyond 2018 - Diversity and Inclusion Business Recognition Program 2018 - Diversity & Inclusion Employee Census 2019
Community Injury Control Fund (CICF) Grant	-	4,000	One time grant in 2014
Conoco Phillips	-	15,000	\$5,000 for Green Teen Program in 2016 and \$10,000 for planters in Anzac in 2014.
Event Tourism Strategy	-	60,000	Payment from Province of Alberta for cultural and tourism events.
Family and Community Safety Program (Children and Youth Service Grant)	-	260,837	Funded by Minister of Human Services to provide advocacy services in the community.
Family & Community Support Services	1,924,513	8,558,220	Provincial level program through Alberta Human Services. Payment is based on population.
Labour Market Partnerships (LMP) Grant - Inclusive Business Project	51,000	-	Funding is being provided through the Labour Market Partnerships (LMP) Grant by the Alberta Department of Labour. The project will address the evidenced need for increased workplace education and awareness about inclusion and diversity, develop inclusive workplace evaluation, consultation policies and feedback practices. The overall cost of the project, including in-kind contributions, will be \$84,500.
Inclusive Business Project	1,065,216	6,122,368	Current funding agreement is for two (2) years from April 1, 2018 and ending March 31, 2020. Payment is based on per capita calculation.
Point in Time Count	50,000	-	Community Services was successful securing funding from Employment and Social Development Canada (ESDC) for the "Everyone Counts: the 2018 Coordinated Point-in-Time Count.
Police Officer Grant (POG)	300,000	1,500,000	Current agreement is for two (2) years from April 1, 2018 and ending March 31, 2020.
Victims of Crime Fund - Grant to Victims Services	-	942,602	Grant to provide services that benefit victims or a class or classes of victims during their involvement with the criminal justice process. 2017 - 3 year grant for Victims Services for 2018-2020.
<b>Environmental</b>			
Alberta Recycling Municipal Electronics and Paint Round-up Grant	29,254	47,225	Alberta Recycling Grant to offset cost to advertise and run the round-up activities.
Alberta Recycling Tire Marshalling Area (TMA)	-	107,343	The 2015 grant is for the purchase and delivery of the concrete blocks for the containment area. Three new applications were submitted in November 2016. Awarded funding of \$30,000 each for Tire Marshalling Areas in Conklin, Janvier and Fort Chipewyan.
<b>Human Resources</b>			
Canada Summer Jobs	-	92,938	2017 - 17 students 2016 - 29 Students.
Careers - The Next Generation	-	4,500	A grant to offset the costs of summer students employed at the Water Treatment Plant. \$15 per hour x 100 hours x 3 students.
Green Job Initiative - Summer Work Experience	11,424	-	2018 - 2 students
Summer Temporary Employment Program (STEP) Program	-	56,100	2017 - 10 Students - \$4,200 per student - \$42,000 total. 2016 - 5 Labourer Positions.

## Grants (continued)

Operating Grants (continued)	2018	2013-2017	Information
<b>Indigenous and Rural Relations</b>			
Alberta Indigenous Relations	-	110,000	Grant to assist with the Urban Aboriginal Connection Initiative project - Wood Buffalo Pan Aboriginal Connection project.
Aboriginal Affairs and Northern Development Canada	-	280,363	Funding for the Urban Aboriginal Strategy.
<b>Planning and Development</b>			
Municipal Cannabis Transition Program (MCTP)	134,292	-	The MCTP is a program that will support eligible Alberta municipalities with increased enforcement and other implementation costs related to the legalization of cannabis.
<b>Public Works and Transit Services</b>			
Alberta Recycling Municipal Demonstration Grant	-	30,000	Grant awarded for \$30,000 towards a pour-in-place recycled tire project at the Syncrude Athletic Park.
CN EcoConnexions From the Ground Up	-	25,000	Tree Canada's CN EcoConnexions From the Ground Up program will provide funding up to \$25,000 per project. A minimum of 50% matching funding must come from other sources.
FCM's Municipal Asset Management Program (MAMP)	50,000		Funding has been awarded from the FCM's Municipal Asset Management Program (MAMP) to offset the cost of conducting condition assessments of (50) municipal building facilities.
FireSmart Community Grant Program - Government of Alberta	-	238,600	Fire Smart Grant from Alberta Government. No call for applications in 2016.
Forest Resource Improvement Association of Alberta (FRIAA) FireSmart Program	-	750,000	The FRIAA FireSmart Program is separate and independent from the Government of Alberta's FireSmart Community Grant Program. Maximum amount of funding for a single project will be \$400,000 over the life of the project. The RMWW applied for funding for the following Hazard Reduction activities. \$400,000 Birchwood/Conn Creek, \$400,000 Anzac, \$125,000 Mitigation strategy, \$40,000 public education. Applications totaled \$965,000. Actual funding awarded \$750,000.
HWY 63 Traffic Survey & Transportation Demand Model	-	225,000	One time Grant in 2013.
Municipal Recreation/Tourism Areas (MR/TA) Grant (Lake Shore)	-	12,000	Municipal Recreation/Tourism Areas (MR/TA) Grant-Program ended in 2013.
Municipal Recreation/Tourism Areas (MR/TA) Grant (MacDonald Island)	-	12,000	Municipal Recreation/Tourism Areas (MR/TA) Grant-Program ended in 2013.
Municipal Recreation/Tourism Areas (MR/TA) Grant (Vista Ridge)	-	12,000	Municipal Recreation/Tourism Areas (MR/TA) Grant-Program ended in 2013.
TD Friends of the Environment	-	27,019	Eligible projects include Community Gardens, Environmental Education Projects, Outdoor Classrooms, Protection of Endangered Species/Wildlife, Recycling/Composting Programs, Tree Planting and Urban Naturalization Projects, Energy Conservation/Renewable Energy, Research Projects, Habitat restoration. 2017 - Pacific Park Community Garden (Timberlea), 2016 - 20 trees for Dr. Clark School, 2013 - Trees at Fort McMurray First Nation #468.
TD Tree Days	5,100	5,100	2017 - Planting of approximately 150 potted trees and shrubs at Vista Ridge on September 24, 2017. 2018 - Planting of approximately 300 trees and shrubs at Beaconhill Lookout in September 16, 2018.

## Grants (continued)

Operating Grants (continued)	2018	2013-2017	Information
<b>Regional Emergency Services</b>			
911 Grant	502,139	1,365,168	The objective of the 911 Grant Program is to strengthen and support local delivery of 911. This is being done using funding generated from a monthly 911 levy on cellphones, and by developing provincial standards for 911. All of this is being done in close collaboration with Alberta's 911 centres. A portion of the 2015 funding is reflected as a capital grant on page 1. A portion of the 2016 grant was transferred from Capital.
2014 Flood Readiness Supplies Grant	-	234,445	One time grant following the flooding of 2013 so that municipalities could replenish their flood-readiness supplies and purchase needed equipment to prepare for future floods.
Emergency Management Preparedness Program (EMPP)	-	11,525	The objective of the Emergency Management Preparedness Program (EMPP) is to provide an effective and cost-efficient grant program for increased emergency management capacity that resulted in an increased number of trained emergency management practitioners. 2016/2017 grant - \$11,525.
Fire Services and Emergency Preparedness Program	-	59,150	The FSEPP has undergone changes and is now known as the Fire Services Training Program (FSTP). The Emergency Management Preparedness Program (EMPP) has also been created and may fund training for other types of emergency preparedness.
Fire Services Training Program (FSTP) (Formerly Fire Services and Emergency Preparedness Program)	5,800	-	This program supports the expansion and enhancement of regional fire service training. The objective is to provide an effective and cost-efficient mechanism for increased training capacity that results in a greater number of trained fire service personnel.
RMWB FireSmart Grant Budget includes approximately \$2.5 M for capital projects	-	10,500,000	The Minister of Agriculture and Forestry has recently committed \$10.5M to the FireSmart program in the RMWB over the next 3 years. This funding will be provided in the form of an Agriculture and Forestry Development Grants and the Regional FireSmart Committee will have oversight over its spending. An application has been completed with input from the RMWB, the Regional FireSmart Committee and Agriculture and Forestry. Funding was approved August 2017.
<b>Wood Buffalo Recovery Committee</b>			
Canadian Red Cross - Recovery Gift (Includes \$3.8 M for FireSmart activities)	-	10,000,000	The Canadian Red Cross Society will provide these funds to further the Alberta Wildfire relief and recovery. Included in the \$10M is \$3.8 M for FireSmart activities.
Wildfire Community Preparedness Day	2,200		Wildfire Community Preparedness Day is held annually in May. FireSmart Canada offers up to \$500 funding awards to implement neighborhood projects. The RMWB received 4 awards of \$500 each plus \$200 towards the cost of refreshments for events held in Gregoire Lake, Sapræ, Ft. Chipewyan and Conklin.
<b>Wood Buffalo Economic Development Corp</b>			
Canadian Red Cross -Disaster Response Services Agreement Small Business Program (Phase 3B)	992,472	-	For Support to Small Business Program (Phase 3B) programming for small businesses impacted by the May 2016 Horse River Wildfire disaster in the Regional Municipality of Wood Buffalo
Community and Regional Economic Support (CARES) Program	95,000	750,000	2016 - To support the Back to Business Resource Centre and Business Recovery Expositions. 2018 - To support the development of a five-year Economic Development Strategic Plan
Invest Canada - Community Initiatives (ICCI)	5,500	-	An application submitted by the Economic Development Department for funding for Foreign Direct Investment Tools and Material Development has received approval for \$5,500.
<b>Total Operating Grants</b>	<b>\$ 5,375,911</b>	<b>\$ 42,455,503</b>	



## Grants (continued)

Future Grant Opportunities	Information
<b>Corporate and Community Services</b>	
Aging Well in Community Grant Program	Grants up to \$100,000 per project are available for project-based proposals that help Alberta seniors live more safely and independently in their chosen community. Projects must align with one of the four funding streams: Aging in communities, Addressing ageism, Social inclusion and engagement of diverse populations, or Elder abuse. Applications were due November 16, 2018.
Anti-Racism Community Grant (ARCG) Program	The Anti-Racism Community Grant (ARCG) program supports initiatives that raise awareness and understanding of racism and its impact on all Albertans. The program will foster cultural awareness and cross-cultural understanding in communities across the province. While municipalities may not apply directly to the program, organizations and community non-profit organizations can apply. Multiple intakes throughout the year. Program is administered by Alberta Culture and Tourism.
Community Inclusion Grant	Alberta Justice and Solicitor General provides funding from the Human Rights, Education and Multiculturalism Fund for the Community Inclusion Grant program. A maximum grant of \$10,000 per year per municipality is available for projects. A minimum of 25% of the total costs of the project should come from sources other than the fund. The most recent intake was June 15, 2018.
Conoco Phillips	Conoco Phillips provides grants from time to time to support education, environment and safety. They also regularly fund social services, youth, health, arts, culture and civic programs.
CRTC (Canadian Radio-television and Telecommunications Commission) Funding	The CRTC is establishing a fund to support projects in areas that do not meet these targets. Applicants will be able to submit funding proposals in order to build or upgrade infrastructure for fixed and mobile broadband Internet access services. The fund will make available up to \$750 million over the first five years, be complementary to existing and future private investment and public funding, focus on underserved areas; and be managed at arm's length by a third party. More details to be released.
Point-in-Time Count ESDC Funding	Employment and Social Development Canada may issue a call for proposals from time to time for a Coordinated Point-in-Time Count. Community Services was successful in their application for funding in 2018.
SOCAN Foundation	This multi-project program has four independent components. Each project must nurture an environment supportive of Canadian music creators, Canadian music publishers, and audiences. Deadline for applications: March 15 and September 15 annually.
Status of Women Grant	The Alberta Status of Women Grant Program provides funds to not-for-profit and charitable organizations. The funds are for projects and activities that improve the lives of women and girls in Alberta and relate to one or more of the priority areas of Status of Women: • increasing women's economic security • increasing women in leadership and democratic participation • preventing and responding to gender-based violence. Funding is available through three streams: Systemic Grant Stream and Seed Grant Stream intake is open until Jan 14, 2019. Projects and Events grant stream intake closed October 30, 2018.
Visitor Services Innovation Fund (VSIF)	Visitor Services Innovation Fund provides support to community-based visitor services providers across the province to enable the delivery of innovative and forward-thinking multi-channel visitor services. Applicants must be able to demonstrate that they are the official visitor services provider for the region or municipality. Organizations can receive up to 75% of the project costs to a maximum of \$7,000. Initiatives involving two or more regional partners are eligible for 75% of the project costs to a maximum of \$16,000.
Wood Buffalo Community Foundation	The Wood Buffalo Community Foundation (WBCF) supports a wide range of sectors, community needs, organizational needs, and types of projects and programs. The WBCF 2018 Community Grant target areas are: Community, Human, Services- with focus on support to families and individuals: Accessibility to appropriate mental wellness supports for youth and young adults; Increasing access to parenting programs and supports particularly in rural areas; Support for persons experiencing abuse and family violence including abuse against seniors; Family counselling for divorce and separation; Health – with focus on addictions and mental health. Most recent intake September 4, 2018.
<b>Communications &amp; Stakeholder Relations</b>	
Alberta Indigenous Solar Program	The Alberta Indigenous Solar Program (AISP) is a program that provides grants to Alberta Indigenous communities or Indigenous organizations to install solar photovoltaic (PV) systems on community or organization owned facilities. Municipalities may not apply directly to this program. No current call for applications however the program generally runs from June to August.

## Grants (continued)

Future Grant Opportunities (continued)	Information
<b>Engineering</b>	
Alberta Community Resilience Program (ACRP)	Flood Mitigation - The Alberta Community Resilience Program (ACRP) is a multi-year grant program supporting the development of long-term resilience to flood and drought events, while supporting integrated planning and healthy functioning watersheds. The next submission deadline is September 30, 2018 for 2019-20 fiscal funding
Alberta Municipal Water/Wastewater Partnership (AMWWP) and Water for Life (WFL) Program	The Alberta Municipal Water/Wastewater Partnership provides cost-shared funding to eligible municipalities to assist in the construction of municipal water supply and treatment and wastewater treatment and disposal facilities. Various initiatives have been included in the program to ensure the needs of Alberta municipalities are met. Applications due November 30th annually.
Clean Water and Wastewater Fund (CWWF) Grant	The Government of Alberta funding will come from the province's Water for Life grant program.
Disaster Mitigation and Adaptation Fund (DMAF)	The Government of Canada has set aside \$2 billion for a Disaster Mitigation and Adaptation Fund. This fund would support the national, provincial and municipal infrastructure required to deal with climate change. Expressions of Interest were due July 31, 2018.
National Disaster Mitigation Program (NDMP)	The NDMP was established in 2015 to reduce the impacts of natural disasters on Canadians by focusing investments on significant, recurring flood risk and costs; and advancing work to facilitate private residential insurance for overland flooding. Provincial and territorial governments are the eligible recipients for funding under the NDMP. However, provincial and territorial authorities may collaborate with, and redistribute funding to eligible entities, such as municipal or other local governments, public sector bodies, private sector bodies, band councils, international non-government organizations or any combination of these entities. Intakes are generally announced in the summer with the closing date being October 31. Communities and municipalities who are interested in the NDMP proposal submission process should contact their appropriate Provincial/Territorial government department or ministry as early as possible to discuss its internal process in regards to the NDMP.
Strategic Transportation Infrastructure Program (STIP)	There are four components within STIP: Local Road Bridge Program (LRB), Resource Road Program (RRP), Community Airport Program (CAP), Local Municipal Initiatives (LMI). Deadline for applications for 2019-2020 funding was November 30, 2018.
<b>Environmental</b>	
Alberta Innovates - Waste to Value-Added Product Demonstration Projects for Alberta Small Municipalities	Funding opportunity to establish demonstration of waste conversion facilities within small urban and rural communities. No current call for expression of interests. Last intake was March 31, 2017.
Alberta Municipal Solar Program (AMSP)	The Alberta Municipal Solar Program (AMSP) provides financial rebates to Alberta municipalities who install solar photovoltaics (PV) on municipal facilities or land and complete public engagement for the project. Funding is available on a first come first served basis. All projects must be completed and energized after February 5, 2016. Funding will be in the form of a rebate per watt of total installed capacity and will not exceed 20% of eligible expenses up to a maximum of \$300,000.
Alberta Recycling - Tire Marshalling Area (TMA) Grant	Up to \$30,000 per applicant is available for upgrading tire collection areas at landfills, transfer stations, or recycling depots. Environmental Services has received 4 of these grants in the recent years for Janvier, Conklin, Fort McMurray and Fort Chipewyan. The RMWB has no requirements for additional TMA's at this time. Applications are generally accepted in November annually.
Clean Growth Program - Natural Resources Canada	Provides funding for clean technology research and development (R&D) and demonstration projects in Canada's energy, mining and forestry sectors. Municipalities are eligible to apply where applicable. The program may pay up to 75% of total project costs per R&D project. Requests for funding in the range of \$300,000 to \$2,000,000 are expected. Maximum funding of \$5,000,000 per project is permitted. Letters of Interest (LOI) were due by February 7, 2018.
Emissions Reduction Alberta (ERA)	ERA works with government, industry and innovators to accelerate development of innovative technologies that reduce GHG emission. There is no current call for applications however future opportunities will be evaluated.
Emissions Reduction Alberta (ERA) - Best Challenge	The BEST Challenge targets technologies that demonstrate the potential to reduce greenhouse gas (GHG) emissions in Alberta and secure the province's success in a lower carbon economy. Innovators with technology scale-up, demonstration, and first-of-kind implementation projects in the areas of biotechnology, electricity or sustainable transportation are invited to apply. Most recent application deadline was September 13, 2018.

## Grants (continued)

Future Grant Opportunities (continued)	Information
<b>Environmental</b>	
Community Generation Program	The Government of Alberta is investing \$200 million over 20 years to launch a new Community Generation Program. The initiative will support the installation of locally generated electricity projects. The program will launch fall 2019.
FCM's Municipalities for Climate Innovation Program (MCIP) Grant	Grant funding of up to \$1 million and more for climate change capital projects is now available from the Federation of Canadian Municipalities (FCM) under the Municipalities for Climate Innovation Program (MCIP). Communities can use the funding to upgrade, build, replace, expand or purchase and install fixed assets or infrastructure, such as buildings and treatment plants. Applications are accepted year round until January 31, 2020 for, Energy: Climate mitigation capital projects, Solid waste: Climate mitigation capital projects, Water: Climate mitigation capital projects, Transportation: Climate mitigation capital projects, Community initiatives: Climate mitigation capital projects, Extreme temperatures: Climate adaptation capital projects, Flooding and drought: Climate adaptation capital projects, Wind events: Climate adaptation capital projects, Community initiatives: Climate adaptation capital projects
TAME+ Program	Grants Available for up to \$2,000 for Energy Audit, and Up to \$100,000 for retrofit capital costs. Information has been distributed to Sustainability and Engineering. Funding available on a first come, first served basis.
<b>Human Resources</b>	
Canada Summer Jobs	Canada Summer Jobs provides funding to help employers create summer job opportunities for students. It is designed to focus on local priorities, while helping both students and their communities. The program provides work experiences for students, supports organizations, including those that provide important community services and recognizes that local circumstances, community needs and priorities vary widely. Canada Summer Jobs provides funding to not-for-profit organizations, public-sector employers and small businesses with 50 or fewer employees to create summer job opportunities for young people aged 15 to 30 years who are full-time students intending to return to their studies in the next school year. Applications are generally accepted in February.
Canada Green Corps	The United Nations Association (UNA) of Canada has recently launched this program which is a green internship program for youth between the ages of 18-30. UNA Canada provides a 50% wage subsidy to employers to hire interns. Their most recent intake was in January 2017 and was for a 4-month period.
Career Focus Funding	Career Focus provides funding for employers and organizations to design and deliver a range of activities that enable youth to make more informed career decisions and develop their skills. To take advantage of this program the municipality would need to contact a workforce consultant at the Government of Alberta's Ministry of Labour.
Green Job Initiatives Summer Work Experience	Wage subsidies up to 50% are available for Green Jobs such as park horticulture and landscaping, parks operations, parks planning, parks technicians, etc.
Occupational Health and Safety Innovation and Engagement Grants Program (OHS I&E Grants Program)	These grants fund non-profit and public sector organizations for projects aimed at improving OHS awareness, knowledge and action in Alberta. Eligible organizations can apply for grants of up to \$10,000, \$20,000 or \$50,000 in three different categories. There is no call for applications at present however the application deadline is generally October 31st of each year.
Summer Temporary Employment Program (STEP) Program	STEP is a 4 - 16 week wage subsidy program that provides funding to eligible Alberta employers to hire high school or post-secondary students into summer jobs from May to August. A standardized wage subsidy of \$7.00/hour to a maximum of 37.5 hours/week will be provided to approved applicants. The deadline for applications for the 2019 program is Feb 8th.
<b>Planning and Development</b>	
Alberta Community Restorative Justice (ACRJ)	The ACRJ Grant is available to support the delivery of direct restorative justice mediation services, enhance a community's capacity for restorative justice understanding and referral. A total of \$360,000 is available to non-profit organizations, including incorporated non-profit and volunteer organizations, coalitions, local community groups, First Nations, Government of Alberta sanctioned youth justice committees. A maximum of \$50,000 per initiative per year is available for use over a period of up to two years for programs or initiatives using innovative, promising and proven practices. Applications for the most recent intake were due December 13, 2018.
Alberta Injury Control Fund (AICF)	The goal of the AICF is to improve the well-being of individuals, increase individual and community safety, and reduce unintentional injuries by assisting communities with resources to undertake solutions to local injury problems. The AICF cannot support projects that address intentional injury (such as violence, mental health & suicide, sexual exploitation, bullying). Applications are generally accepted in December annually.
Alberta Traffic Safety Fund (ATSF)	The purpose of the ATSF is to encourage communities and other traffic safety stakeholders to develop and implement community-based, preventative, and collaborative traffic safety projects that support the strategies in Alberta's Traffic Safety Plan (TSP). Small grants (up to \$5,000) and large grants (\$5,001-17,000) are available. Applications for funding are accepted annually by January 31st.
Civil Forfeiture Grant (CFG)	Time-limited grant funding between \$50,000 and \$200,000 per project is available for projects lasting up to 2 years. Funded projects must focus on crime prevention and victim services. Applications are generally accepted in October.

## Grants (continued)

Future Grant Opportunities (continued)	Information
<b>Public Works and Transit Services</b>	
Alberta Blue Cross - Healthy Communities Grant	In the interest of promoting wellness and active living, Alberta Blue Cross has launched the Healthy Communities Grant Program. Four \$50,000 grants are being awarded each year to support community amenities and facilities that promote active living. Applications open annually on June 1st and close on August 30th.
Alberta Recycling - Municipal Demonstration Grant (MDP)	Up to \$30,000 per applicant is available through the Municipal Demonstration Grant (MDP) to help purchase recycled tire products for community projects such as playgrounds, arenas, walking trails, etc. Annual deadline for applications is generally in November. Matching funds is a requirement of the program.
Alberta Culture Days	Funding is available annually for Culture Days Events. The local Alberta Culture Days Committee can apply to become a Celebration site. Applications are generally due June annually.
Alberta Land Trust Grant Program	The Alberta Land Trust Grant Program focuses on conserving ecologically important areas to prevent habitat fragmentation, maintain biodiversity and preserve native landscapes. Grants are available to eligible land trust organizations to help establish and administer new conservation easements on private land and/or manage new conservation projects on land trusts titled land. Applications are accepted annually in September.
Building Communities through Arts and Heritage - Local Festivals Component	The Local Festivals component provides funding to local groups that organize recurring festivals and display local arts and heritage. Application intakes are January 31, April 30, and September 30. Eligible applicants must represent one of the following community groups: a non-profit organization or group (incorporated or unincorporated); a local band council, a local tribal council or other local Indigenous government (First Nations, Inuit or Métis) or equivalent authority. Municipalities may not apply directly.
Building Communities through Arts and Heritage - Community Anniversaries Component	The Community Anniversaries component provides funding to local groups for non-recurring local events, with or without a minor capital project. Eligible events and capital projects are those that commemorate the 100th anniversary or greater (in increments of 25 years) of a significant local historical event or personality. Eligible capital projects such as community art projects, restoration of objects, community history books, statues and murals can be funded up to a maximum \$25,000. Application deadline January 31st for events that will occur during the next calendar year.
Building Communities through Arts and Heritage - Legacy Component	The Legacy Fund component provides funding for community-initiated capital projects that restore, renovate or transform an existing building or exterior space (such as a statue, community hall, monument, garden or work of art) intended for community use. Eligible capital projects are those that commemorate the 100th anniversary or greater (in increments of 25 years), of a significant local historical event or personality. Applications must be submitted before the anniversary of the event.
Canada Cultural Spaces Fund	The Canada Cultural Spaces Fund (CCSF) supports the improvement of physical conditions for artistic creativity and innovation. The fund supports the improvement, renovation and construction of arts and heritage facilities, as well as the acquisition of specialized equipment. Eligible applicants include not-for-profit arts and heritage organizations, incorporated under the Canada Not-for-Profit Corporations Act, Part II of the Canada Corporations Act or under corresponding provincial or territorial legislation; provincial/territorial governments, municipal or regional governments and their agencies; and Aboriginal people's institutions or organizations. The Canada Cultural Spaces Fund receives applications on an ongoing basis.
Celebrate Canada	The Celebration and Commemoration Program – Celebrate Canada component provides funding for activities organized on National Aboriginal Day (June 21), Saint-Jean-Baptiste Day (June 24), Canadian Multiculturalism Day (June 27) and Canada Day (July 1). Applications are generally due in November and Community Services has been successful securing funding in recent intakes.
CN EcoConnexions	Tree Canada's CN EcoConnexions From the Ground Up program will provide funding up to \$25,000 per project. A minimum of 50% matching funding must come from other sources. Intakes are generally announced in April.
Community Facility Enhancement Fund and Community Infrastructure Program	Grants are available for capital (generally up to \$125,000 per year) and operating (up to \$75,000 per year) to eligible organizations in the community. The municipality may support these applications.
Community Initiatives Program (CIP) - Project Based Grant	This program supports projects that enhance and enrich communities throughout Alberta by providing assistance to non-profit organizations for new programs and initiatives, community events and community publications. Annual application deadlines are January 15, May 15 and September 15. Maximum available is \$75,000. Municipalities may not apply directly but may support the application of non-profits.
Enabling Accessibility Fund	The Enabling Accessibility Fund supports the capital costs of construction and renovations related to improving physical accessibility and safety for people with disabilities in Canadian communities and workplaces. Applications are generally accepted in July.

## Grants (continued)

Future Grant Opportunities (continued)	Information
Public Works and Transit Services (continued)	
FCM's Climate and Asset Management Network	FCM's Climate and Asset Management Network provides peer-learning opportunities, grant funding and training to help Canadian municipalities better integrate climate and sustainability goals into asset management approaches. As a network participant, you can benefit from funding of up to \$175,000 for your municipality along with workshops and knowledge-sharing activities with colleagues from municipalities across Canada. Most recent call for applications closed June 15, 2017.
FCM's Green Municipal Fund	Grants available to cover up to 50 per cent of eligible costs for plans, feasibility studies and pilot projects — to a maximum of \$175,000 for plans and feasibility studies, and a maximum of \$350,000 for pilot projects. Low-interest loans available, usually in combination with grants, to cover up to 80 per cent of eligible costs for capital projects. The loan maximum is \$5 million*, and the grant amount is set at 15 per cent of the loan, to a maximum of \$750,000. * Applicants with high-ranking projects may be eligible for a loan of up to \$10 million combined with a grant for 15 per cent of the loan amount, to a maximum of \$1.5 million. Brownfields: Grants are not available for capital projects in the brownfields sector. There is no specified loan limit for capital projects in the brownfields sector, but FCM reserves the right to adjust the maximum loan limit per project.
FCM's Municipal Asset Management Program (MAMP)	Up to \$50,000 is available (80% of eligible costs) through the Municipal Asset Management Program (MAMP) for eligible activities including asset management assessments, asset management plans, policies and strategies, data collection and reporting, training and organizational development and knowledge transfer. Deadline to apply for the most recent intake was October 23, 2018.
FRIAA FireSmart	The Forest Resource Improvement Association of Alberta announces requests for expressions of interest (EOI) for the FRIAA FireSmart Program from time to time. Each intake is evaluated by the Regional FireSmart Committee. Projects are generally in the \$200,000 - \$300,000 range.
Greening Canada's School Grounds	This program is available to schools to plant trees on their grounds. The RMWB is facilitating by providing Tree Canada will contact information of schools in the region that could benefit from this program.
Heritage Awareness Grant	Grants support tangible initiatives that promote awareness of Alberta's history and that will have lasting impact. Applications accepted twice per year, February 1st and September 1st.
Historic Resources Grant	Historic Resources Conservation grants provide funding for conservation of Alberta's historic places and conservation studies and professional services. Matching grants are awarded up to 50% of eligible costs. Information has been distributed to Public Operations (Parks) and Community Services. Applications accepted twice per year, February 1st and September 1st.
Hockey Alberta - Every Kid Every Community Grant	Program grants up to \$5,000 are available for the creation or support of an existing program that will focus on recruiting new players to the game of hockey regardless of age, skill or environmental factors. Community Services applied for this grant to assist with costs related to the Shootout on the Snye. Applications are accepted year round however funds are awarded quarterly. Application deadlines are August 30th, November 30th, February 28th, and May 30th.
Jumpstart Accessibility Grant	Jumpstart Accessibility Grants offer two funding streams: <i>Accessibility-Enabling Grants</i> , which provide eligible facilities with up to \$50,000 for projects to adapt and enhance existing facilities, and <i>Inclusive Design Innovation Grants</i> , which provide between \$250,000 and \$1,000,000 for projects designed to uniquely enhance sport and recreation spaces with innovative solutions.
Partners for Places	National funders invest in local projects to promote a healthy environment, a strong economy, and well-being of all residents. Not presently accepting applications.
Playground Grant	Under the program, Alberta Education will provide grant funding of up to \$250,000 per school to support the construction of a playground. The \$20-million program will apply to all new schools with Kindergarten to Grade 6 programs announced between 2014 and 2018.
Tourism Growth Innovation Fund (TGIF)	The Tourism Growth Innovation Fund (TGIF) is a project-based grant program that aims to support economic growth and improve quality of life in communities across Alberta. TGIF has two streams. The Destination Development Support stream helps tourism organizations and Alberta municipalities create new tourism products and destination development opportunities through research-based studies, surveys and plans. The Product Development Support stream helps non-profit tourism attraction operators who want to develop projects that grow tourism experiences within Alberta. Applications are accepted April 1-30 and October 1-31 annually.
TD Green Streets	TD Green Streets is the flagship program of Tree Canada and the only nationally-based municipal forestry innovation program in Canada. Applications for funding up to \$25,000 are generally accepted in November.



## Grants (continued)

Future Grant Opportunities (continued)	Information
<b>Public Works and Transit Services (continued)</b>	
TD Friends of the Environment	TD Friends of the Environment accepts applications for a wide range of environmental initiatives, with a primary focus on environmental education and green space programs. Eligible projects include schoolyard greening and outdoor classrooms, park revitalization and restoration work, community gardens, trail building and restoration, recycling and composting programs, indoor and outdoor environmental education programming. There will be two intakes in 2019: January 15, 2019 and July 15, 2019.
Tree Canada - Edible Trees Grant	Tree Canada funding is available (but not limited to) community gardening groups, community housing projects, indigenous communities, schools, parks and arboretums. Applications for Tree Canada's Edible Trees program most recent intake was April 30, 2018. Maximum grant available was \$4,000. The RMWB did not apply in that round.
Transportation/Industrial Artifact Conservation Grant	Transportation or Industrial Artifact Conservation Grants provide funding for the preservation or restoration of transportation and industrial artifacts that have a distinctive or significant connection to Alberta's history. In general, this means: the first artifact of its kind, the last remaining, the best example, having direct association with a key historic event or figure. It must also have been built in or had a long period of continuous use within Alberta. The applicant must establish the special significance of the artifact to Alberta. Assistance is restricted to costs associated with the restoration of artifacts and not for artifact purchase, engine maintenance or total reproduction. One-time matching grants are awarded up to 50% of eligible project value, up to \$25,000. Applications accepted twice per year, February 1st and September 1st.
Watershed Resiliency and Restoration Program	Alberta Environment and Parks' (AEP) WRRP aims to improve natural watershed functions in order to build greater long-term resiliency to droughts and floods through conservation, education and stewardship, research data and restoration and enhancement. Applications are accepted annually on October 30th.
Watershed Steward Grant	The Watershed Stewardship Grant Program (WSG) is made possible with funding from Alberta Environment and Parks. Grants are available up to \$20,000 for projects that aim to enhance, protect or restore Alberta's precious water resources. While Municipalities are not eligible to apply directly for this grant, they may serve as the partnering legal entity for a group that does not have a legal status. Most recent deadline was February 2018. Future rounds will be considered.
<b>Regional Emergency Services</b>	
Emergency Management Preparedness Program (EMPP)	The objective of the Emergency Management Preparedness Program (EMPP) is to provide an effective and cost-efficient grant program for increased emergency management capacity resulting in an increased number of trained emergency management practitioners. The next intake will likely be in September 30, 2019.
Fire Services Training Program (FSTP)	This program supports the expansion and enhancement of regional fire service training. The objective is to provide an effective and cost-efficient mechanism for increased training capacity that results in a greater number of trained fire service personnel. The next intake will likely be in September 30, 2019.
Wildfire Community Preparedness Day	Wildfire Community Preparedness Day is held annually in May. FireSmart Canada offers up to \$500 funding awards to implement neighborhood projects. Applications will be accepted from January 15 - March 9, 2018.



## Grants (continued)

Future Grant Opportunities (continued)	Information
<b>All Divisions</b>	
Alberta Community Partnership (ACP) Program	<p>The objective of the ACP program is to improve the viability and long-term sustainability of municipalities by providing support for regional collaboration and capacity-building initiatives.</p> <p>The ACP program is designed to support municipalities in attaining the following key program outcomes:</p> <ul style="list-style-type: none"> <li>▪ new or enhanced regional municipal services;</li> <li>▪ improved municipal capacity to respond to municipal and regional priorities; and</li> <li>▪ effective intermunicipal relations through joint and collaborative activities.</li> </ul> <p>Intermunicipal Collaboration Component - November 1, 2018  Mediation and Cooperative Process component - Deadline February 1, 2019  Municipal Restructuring Component - Deadline February 1, 2019  Strategic Initiatives Component - Deadline February 1, 2019  Municipal Internship Component - Deadline September 1, 2018</p>
AgriSpirit Fund	<p>The AgriSpirit Fund is about enhancing rural communities. Funding from \$5,000 to \$25,000 is available for capital projects that enhance the lives of residents or contribute to sustainability in communities.</p>
Investing in Canada Infrastructure Program	<p>Through the federal government's Investing in Canada Infrastructure Plan, Alberta will receive \$3.39 billion over the next 10 years. These projects will be cost-shared with the Alberta government, municipalities and other partners. Eligible organizations can apply for funding under the following streams:</p> <ul style="list-style-type: none"> <li>• Public transit infrastructure</li> <li>• Green infrastructure</li> <li>• Rural and northern communities infrastructure</li> <li>• Community, culture and recreation</li> </ul> <p>Applications are now being accepted on an ongoing basis.</p>
Smart Cities Challenge	<p>The Smart Cities Challenge is a competition open to all municipalities, local or regional governments, and indigenous communities across Canada. This challenge will inspire communities across the country to define their future with the help of their residents through the use of a smart cities approach. Applications were due April 24, 2018 however the RMWB has opted to compete in Round 2 in 2019 and are actively working on developing our challenge statement.</p>
<b>Wood Buffalo Economic Development Corporation</b>	
Community and Regional Economic Support (CARES) Program	<p>The RMWB was awarded \$750,000 from this program for the Back to Business Resource Centre. A second grant from this program of \$95,000 was just awarded to the RMWB for the development of a five year Economic Development Strategic Plan. The intake closed in June 30, 2018 however the municipality did not submit an application at that time.</p>
Invest Canada - Community Initiatives (ICCI)	<p>The ICCI supports Canadian communities' collaborative efforts to attract, retain and expand foreign direct investment. Eligible activities include FDI strategic planning and analysis, FDI tool and material development, FDI training, FDI lead generation and meetings with potential. Up to \$300,000 with up to 50% coverage. Deadline for applications was October 17, 2018.</p>
Labour Market Partnerships (LMP)	<p>This program supports workplace human resource development and labour market adjustment strategies through community partnerships. It is designed to develop and support projects with groups, organizations, industry sectors and communities with common labour market needs. Priorities for 2018-2019 are Support Equity and Under-Represented Groups, Technology and Sector Growth, Skills Gaps, Support Industry, Employer, Union and Community needs. Continuous intake.</p>

# Regional Municipality of Wood Buffalo Non-Consolidated Financial Statements for the year ended December 31, 2018

Presenter: Linda Ollivier, Director, Financial Services  
Ray Cayen, Manager, Financial Planning  
Date: April 9, 2019

# 2018 Key Highlights

- Net Taxes decrease of \$49M
- Revenue excluding Net Taxes increase of \$20M
- Expenses decrease of \$106M
- Operating surplus of \$64.5M
- Restatement of 2017 Tangible Assets of \$24M

# Statement of Financial Position

6.2.c

Assets	2018 (\$M)	2017 (\$M)
Cash	89	23
Accounts Receivable	80	56
Investments	1,119	933
	<u>\$1,288</u>	<u>\$1,012</u>

Attachment: 2018 Non-Consolidated Financial Statement

# Statement of Financial Position

6.2.c

Liabilities	2018 (\$M)	2017 (\$M)
Accounts Payable	70	94
Deferred Revenue	82	111
Long Term Debt	265	283
Other Liabilities	39	36
Total Liabilities	456	524
Net Financial Assets	\$ 832	\$ 488

Attachment: 2018 Non-Consolidated Financial Statement

# Statement of Financial Position

6.2.c

Non Financial Assets	2018 (\$M)	2017 (\$M)
Tangible Capital Assets*	3,976	3,926
Consumable Inventories	4	6
Prepaid Expenses	3	2
	3,983	3,934
Accumulated Surplus	\$ 4,816	\$ 4,422

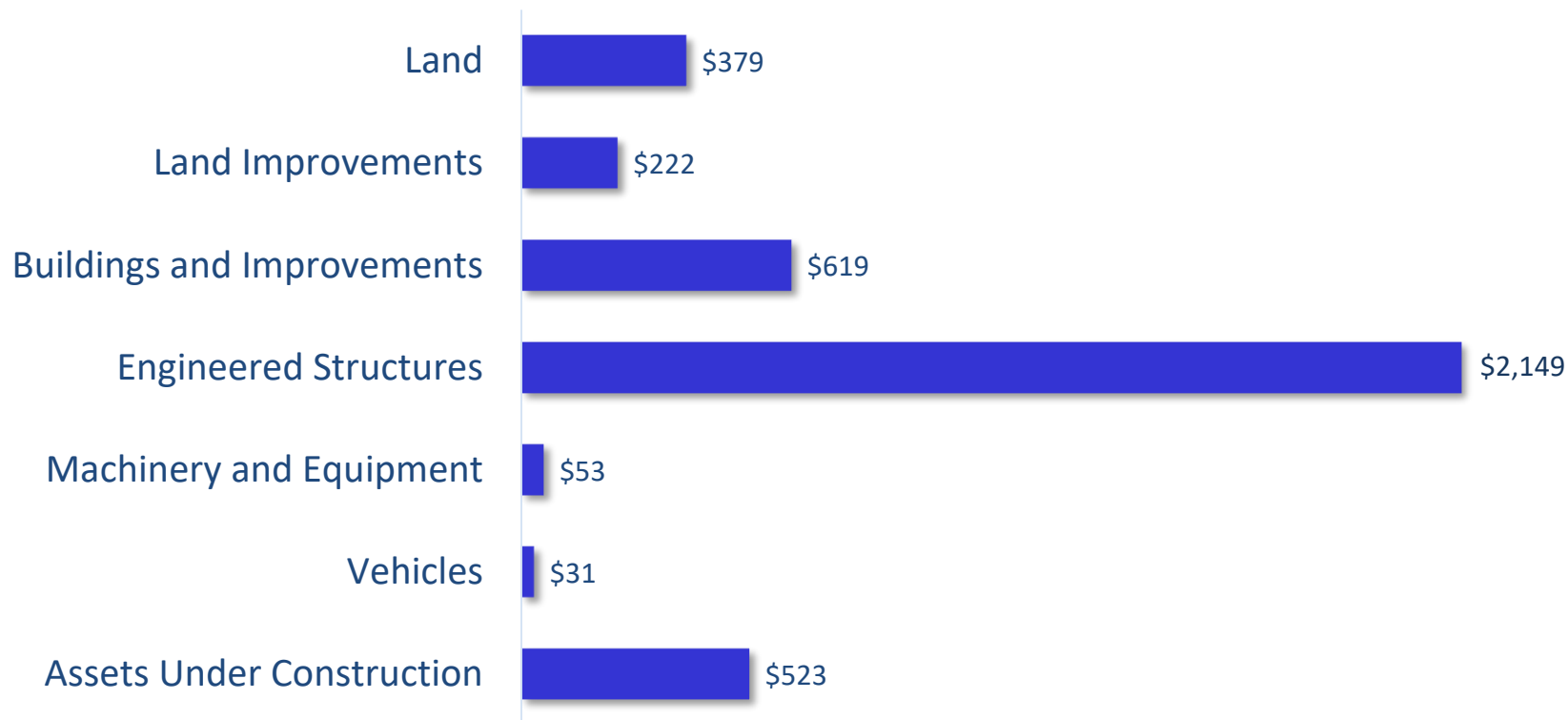
\*Prior period adjustment to 2017.

Attachment: 2018 Non-Consolidated Financial Statement



# Tangible Capital Assets (\$M)

6.2.c



Attachment: 2018 Non-Consolidated Financial Statement

# Statement of Operations

6.2.c

Revenue	2018 (\$M)	2017 (\$M)
Net Taxes	681	730
Operating Government Transfers	41	53
Sales and User Charges	49	62
Returns on Investments	23	18
Others	63	23
Total Revenue	\$857	\$886

Attachment: 2018 Non-Consolidated Financial Statement

# Expenses by Object

Expenses	2018 (\$M)	2017 (\$M)
Protective Services	87	95
Transportation	111	106
Environmental Use & Protection	94	104
Public Health & Welfare	27	31
Planning & Development	16	19
Recreation & Culture	55	71

Attachment: 2018 Non-Consolidated Financial Statement

# Expenses by Object

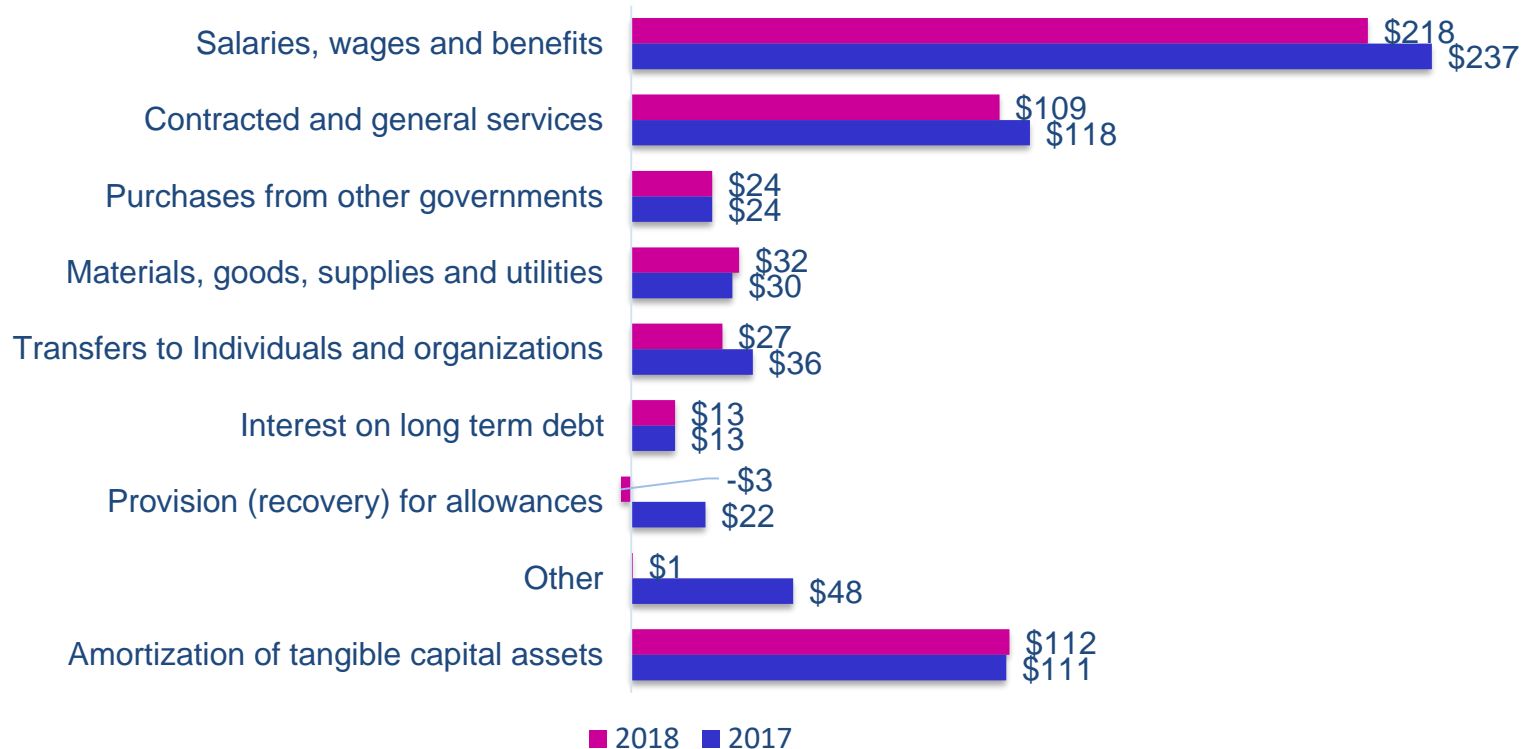
6.2.c

Expenses (continued)	2018 (\$M)	2017 (\$M)
Fiscal Services	(2)	63
General Government	145	150
Total Expenses	\$ 533	\$ 639

Attachment: 2018 Non-Consolidated Financial Statement

# Expenses\* (\$M)

6.2.c



\*As per Financial Statement Note #15

# Statement of Cash Flows

6.2.c

Cash Provided By (Used In)	2018 (\$M)	2017 (\$M)
Operating	418	380
Capital	(149)	(196)
Investing	(186)	(612)
Financing	(17)	(17)
Net Change In Cash	66	(445)
Cash – End of Year	\$ 89	\$ 23

Attachment: 2018 Non-Consolidated Financial Statement

# Changes in Net Financial Assets

6.2.c

	2018 (\$M)	2017 (\$M)
Annual Surplus	394	327
Capital Assets	(50)	(113)
Prepaid and Inventory	1	(2)
Increase in Net Assets	345	212
Net Assets – Ending	\$ 832	\$ 488

Attachment: 2018 Non-Consolidated Financial Statement



# Questions



## COUNCIL REPORT

Meeting Date: April 9, 2019

### **Subject: 2019 Capital Budget Amendments**

#### **APPROVALS:**

**Annette Antoniak**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Administrative Officer

#### **Recommended Motion:**

THAT the 2019 Capital Budget Amendment as summarized on Attachment 1 (2019 Capital Budget Amendment – New & Revised Projects, dated April 9, 2019) be approved; and

THAT the revised Cash Flow of Capital Projects as summarized on Attachment 2 (2019 Capital Budget Amendment – New & Revised Projects - Cash Flow Summary, dated April 9, 2019) be approved.

#### **Summary:**

Administration has identified three (3) capital projects to be submitted for Capital Budget amendment consideration. Council is the approving authority for the Capital Budget, subject to the provisions of the Fiscal Responsibility Policy (FIN-160).

The Capital Budget amendment will result in a net increase in funding of \$24,900,000 to the 2019 & thereafter Capital Budget, as outlined in the Budget Net Change Summary.

#### **Background:**

Capital Budget amendments are an ongoing process. The amendments in this report include a request for funding for the revitalization of the downtown area, to cancel the purchase of the storm outfall monitoring equipment, and to change the scope of the Riverfront Park trail.

#### **Budget/Financial Implications:**

The net increase in capital funding is \$24,900,000 and is from the 2019 & thereafter Capital Budget.

The full budget impact of these amendments will be incorporated in the 2019 Budget upon Council approval; Attachments 1 - 3 illustrate this impact.

**Attachment 1** shows the net budget impact of these amendments. The original

approved budgets and the revised budgets are presented with the net budget impact by project and funding source.

**Attachment 2** shows the cash flow changes by funding sources. Since multi-year projects are pre-approved over the life of project development, amendments in cash flows of these projects also require pre-budget approval.

**Attachment 3** summarizes the impact of cash flows and the source of funding from these proposed amendments for 2019 and thereafter. This is reflected below in the Budget Net Change Summary.

**Budget Net Change Summary**

	<b>Total Project Cost (Accumulative)</b>	<b>Federal Grants</b>	<b>Provincial Grants</b>	<b>Reserves</b>	<b>Other Sources</b>	<b>Debenture</b>
2018 & Prior	\$ (100,000)	\$ -	\$ -	\$ (100,000)	\$ -	\$ -
2019 & Thereafter	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000	\$ -	\$ -
<b>Reconciled net change</b>	<b>\$ 24,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,900,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Rationale for Recommendation:**

The rationale for these amended and new projects is included in the attached individual Capital Budget Amendment Form (Attachment 4).

**Strategic Priorities:**

Responsible Government

**Attachments:**

**1 - 3. Capital Budget Amendment Worksheets**

**4 - 6. Capital Budget Amendment Forms**

Regional Municipality of Wood Buffalo  
 2019 Capital Budget Amendment - New and Revised Projects  
 April 9, 2019

Attachment 1

Legend:

First year of a multi year project
Other than first year of a multi year project
Single year project

S/N	Project Description	Type	Sponsor Department	Year of original approval	Total Project Cost	Federal Grants	Provincial Grants	Reserves	Other Sources*	Debenture	Att.
<b>ORIGINAL PROJECT BUDGET</b>											
1	Downtown Revitalization	New Project	DCAO		-			-			4
2	Riverfront Park Development - Trails and Docks	Project Amendment	Public Works	2019	2,900,000			2,900,000			5
3	RMWB Storm Outfall Monitoring - Purchase of Equipment	Cancellation	Engineering	2018	100,000			100,000			6
<b>Total Original Capital Project Budget</b>					<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>REVISED PROJECT BUDGET</b>											
1	Downtown Revitalization	New Project	DCAO	2019	25,000,000			25,000,000		-	4
2	Riverfront Park Development - Trails and Docks	Project Amendment	Public Works	2019	2,900,000	-	-	2,900,000		-	5
3	RMWB Storm Outfall Monitoring - Purchase of Equipment	Cancellation	Engineering	2018	-	-	-	-	-	-	6
<b>Total Revised Capital Project Budget</b>					<b>\$ 27,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>NET BUDGET IMPACT</b>											
1	Downtown Revitalization	New Project	DCAO	2019	25,000,000	-	-	25,000,000	-	-	4
2	Riverfront Park Development - Trails and Docks	Project Amendment	Public Works	2019	-	-	-	-	-	-	5
3	RMWB Storm Outfall Monitoring - Purchase of Equipment	Cancellation	Engineering	2018	(100,000)	-	-	(100,000)	-	-	6
<b>Net Increase/(Decrease) Required on Existing Projects</b>					<b>\$ 24,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	

Attachment: 1 - 3. Capital Budget Amendment Worksheets (2019 Capital Budget Amendments)

Regional Municipality of Wood Buffalo  
 2019 Capital Budget Amendment - New and Revised Projects - Project Cash Flow Summary  
 April 9, 2019

Attachment 2

Legend:

First year of a multi year project
Other than first year of a multi year project
Single year project


					Cash flow				
S/N	Project Description	Original Approval Year	Funding Source	Total Budget (Accumulative)	2018 & Prior	2019	2020	Thereafter	Att
ORIGINAL PROJECT BUDGET									
1	Downtown Revitalization	2019	Reserve	-	-	-	-	-	4
2	Riverfront Park Development - Trails and Docks	2019	Reserve	2,900,000		2,900,000	-	-	5
3	RMWB Storm Outfall Monitoring - Purchase of Equipment	2018	Reserve	100,000	100,000	-	-	-	6
Total Original Capital Project Budget (a)				\$ 3,000,000	\$ 100,000	\$ 2,900,000	\$ -	\$ -	
REVISED PROJECT BUDGET									
1	Downtown Revitalization	2019	Reserve	25,000,000	-	5,000,000	5,000,000	15,000,000	4
2	Riverfront Park Development - Trails and Docks	2019	Reserve	2,900,000	-	2,900,000			5
3	RMWB Storm Outfall Monitoring - Purchase of Equipment	2018	Reserve	-	-	-			6
Total Revised Project Budget (b)				\$ 27,900,000	\$ -	\$ 7,900,000	\$ 5,000,000	\$ 15,000,000	
NET BUDGET IMPACT									
1	Downtown Revitalization	2019	Reserve	25,000,000	-	5,000,000	5,000,000	15,000,000	4
2	Riverfront Park Development - Trails and Docks	2019	Reserve	-	-	-	-	-	5
3	RMWB Storm Outfall Monitoring - Purchase of Equipment	2018	Reserve	(100,000)	(100,000)	-	-	-	6
Net Increase/(Decrease) Required on Existing Projects				\$ 24,900,000	\$ (100,000)	\$ 5,000,000	\$ 5,000,000	\$ 15,000,000	

Attachment: 1 - 3. Capital Budget Amendment Worksheets (2019 Capital Budget Amendments)

Regional Municipality of Wood Buffalo  
Cash Flow by Funding Sources, by Year  
April 9, 2019

Attachment 3

	Funding Sources					
	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves (CIR)	Other Sources*	Debentures
<b>Original Funding Sources</b>						
2018 and prior	100,000	-	-	100,000	-	-
2019	2,900,000	-	-	2,900,000	-	-
2020	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Original Funding Sources Total (a)	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -
<b>Revised Funding Sources</b>						
2018 and prior	-	-	-	-	-	-
2019	7,900,000	-	-	7,900,000	-	-
2020	5,000,000	-	-	5,000,000	-	-
Thereafter	15,000,000	-	-	15,000,000	-	-
Revised Funding Sources Total (b)	\$ 27,900,000	\$ -	\$ -	\$ 27,900,000	\$ -	\$ -
Revision / Difference (b) - (a)	\$ 24,900,000	\$ -	\$ -	\$ 24,900,000	\$ -	\$ -
<b>Net Change by year</b>						
2018 and prior	(100,000)	-	-	(100,000)	-	-
2019	5,000,000	-	-	5,000,000	-	-
2020	5,000,000	-	-	5,000,000	-	-
Thereafter	15,000,000	-	-	15,000,000	-	-
Reconciled net change	\$ 24,900,000	\$ -	\$ -	\$ 24,900,000	\$ -	\$ -

	<b>REGIONAL MUNICIPALITY OF WOOD BUFFALO</b>	<b>CAPITAL BUDGET AMENDMENT</b> <b>Council</b>				
<b>CURRENT PROJECT NAME:</b> Downtown Revitalization						
<b>AMENDED PROJECT NAME:</b>						
<b>ORDER CODES (if assigned):</b>						
Group I/O	Revenue I/O	Expense I/O				
New Project						
<b>CURRENT PROJECT BUDGET</b>						
Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debenture Financed
2018 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CURRENT COST AND COMMITMENT</b>						
As at	Current Budget	Actual to Date	Commitments	Available		
	\$ -	\$ -	\$ -	\$ -		
<b>DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT</b>						
<p>In January 2018, the Council of the Regional Municipality of Wood Buffalo (RMWB) approved the Strategic Plan that will guide the Municipality from 2018-2021.</p> <p>The 2018-2021 RMWB Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. The plan includes four key strategic priorities identified as critical areas to address to achieve this goal:</p> <ul style="list-style-type: none"> <li>• Responsible government</li> <li>• Downtown revitalization</li> <li>• Regional economic development</li> <li>• Rural and Indigenous communities and partnerships</li> </ul> <p>This allocation over a 5-year horizon will assist with the implementation of priority #2 – Downtown Revitalization.</p> <p>This amendment is a placeholder to ensure funds are committed within the Capital Investment Reserve.</p>						
<b>AMENDED PROJECT BUDGET</b>						
Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debenture Financed
2018 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	5,000,000	-	-	5,000,000	-	-
2020	5,000,000	-	-	5,000,000	-	-
2021	5,000,000	-	-	5,000,000	-	-
Thereafter	10,000,000	-	-	10,000,000	-	-
<b>TOTAL</b>	<b>\$ 25,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Budget Change</b>						
<b>TOTAL</b>	<b>\$ 25,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FISCAL RESPONSIBILITY POLICY CRITERIA:</b>						
Will the change result in an efficient administrative and project delivery process?						Yes
Will the change result in an addition or cancellation of a capital project?						Yes
Will the underlying scope change alter the nature and type of capital project?						n/a
Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?						n/a
Will the change result in Council set debt and debt service limits being exceeded?						No
<p style="color: red;">In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.</p>						





REGIONAL MUNICIPALITY  
OF WOOD BUFFALO

## CAPITAL BUDGET AMENDMENT

Council

<b>CURRENT PROJECT NAME:</b>	Riverfront Park Development - Trails and Docks					
<b>AMENDED PROJECT NAME:</b>						
	<b>Group I/O</b>	<b>Revenue I/O</b>	<b>Expense I/O</b>	<b>Project Amendment</b>		
<b>ORDER CODES (if assigned):</b>	0522019	701110	601888			

CURRENT PROJECT BUDGET						
Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2018 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2,900,000	-	-	2,900,000	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ -</b>

CURRENT COST AND COMMITMENT				
As at	Current Budget	Actual to Date	Commitments	Available
2/19/2019	\$ 2,900,000		\$ 2,500,000	\$ 400,000

### DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This amendment is to expand the connectivity to include the area between Reidel Street and the Syne. This addition will create a continuous connected trail along the Clearwater River from the Snye Point Park to King Street. There will be no expected increase in the current approved budget to accommodate this request. This amendment supports the Strategic Initiative for Riverfront Master Planning and Revitalization.

AMENDED PROJECT BUDGET						
Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2018 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2,900,000	-	-	2,900,000	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ -</b>

Budget Change						
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?	Yes
Will the change result in an addition or cancellation of a capital project?	No
Will the underlying scope change alter the nature and type of capital project?	Yes
Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	n/a
Will the change result in Council set debt and debt service limits being exceeded?	No
In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.	



REGIONAL MUNICIPALITY  
OF WOOD BUFFALO

## CAPITAL BUDGET AMENDMENT

Council

<b>CURRENT PROJECT NAME:</b>		RMWB Storm Outfall Monitoring - Purchase of Equipment				
<b>AMENDED PROJECT NAME:</b>		Project Cancellation				
<b>ORDER CODES (if assigned):</b>		Group I/O 0312018	Revenue I/O 701007	Expense I/O 601705		

CURRENT PROJECT BUDGET						
Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2018 & Prior	\$ -	\$ -	\$ -	\$ -		\$ -
2019	100,000	-	-	100,000	-	-
2020	-	-	-	-		-
2021	-	-	-	-		-
Thereafter	-	-	-	-	-	-
<b>TOTAL</b>	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ -

CURRENT COST AND COMMITMENT				
As at	Current Budget	Actual to Date	Commitments	Available
3/12/2019	\$ 100,000	\$ -	\$ -	\$ 100,000

**DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT**

*This amendment is to cancel the purchase of the storm outfall monitoring equipment. In assessing the need for the monitoring program, renting will be more economical than owning the equipment if the outfall monitoring lasts up to 4-years. The ownership of the monitoring equipment requires technical support and frequent maintenance and upkeep which can be costly. We recommend the rental option versus the ownership of such equipment. A budget request will be submitted if the monitoring program should continue for more than 4 years.*

AMENDED PROJECT BUDGET						
Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2018 & Prior	\$ -	\$ -	\$ -	\$ -		\$ -
2019	-	-	-	-		-
2020	-	-	-	-		-
2021	-	-	-	-		-
Thereafter	-	-	-	-		-
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Budget Change						
<b>TOTAL</b>	\$ (100,000)	\$ -	\$ -	\$ (100,000)	\$ -	\$ -

**FISCAL RESPONSIBILITY POLICY CRITERIA:**

Will the change result in an efficient administrative and project delivery process? Yes

Will the change result in an addition or cancellation of a capital project? Yes

Will the underlying scope change alter the nature and type of capital project? n/a

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects? n/a

Will the change result in Council set debt and debt service limits being exceeded? No

In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.



## COUNCIL REPORT

Meeting Date: April 9, 2019

### **Subject: Downtown Land Development: Next Steps**

#### **APPROVALS:**

**Annette Antoniak**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Administrative Officer

#### **Recommended Motion:**

THAT Administration revisit the Land Planning and Development Advisory Committee recommendations and re-engage the community to gain a better understanding of community needs and desires for the subject lands.

#### **Summary:**

On July 14, 2015 Council established the Land Planning and Development Advisory Committee (LPDAC) to assess options for the redevelopment of the subject lands outlined in Attachment #1. Five options were brought back to Council with the highest scoring recommendation being a multiplex movie theatre. Council accepted the report as information and directed Administration to return with an implementation plan to move forward with the approved option. Administration brought the implementation plan back to Council prior to the Horse River Wildfire and Council instructed Administration to proceed with the public engagement portion of the plan.

In 2018, in alignment with Council's strategic priorities and the LPDAC options, Administration initiated a Request for Proposal (RFP) to encourage development of the subject lands.

#### **Background:**

On July 14, 2015 Council established the LPDAC with Bylaw No. 15/020. Their initial mandate was to assess options for the redevelopment of the subject lands and provide a written report to Council containing recommendations for one or more development alternatives.

On March 15, 2016, the LPDAC reported back to council with five development options:

- Multiplex movie theatre
- Urban park

- Event centre/arena/performing arts theatre
- Selling the land
- Municipal/private partnership (P3).

Council accepted the presentation as information, approved the recommendation for a multiplex movie theatre and directed Administration to bring forward an implementation plan for Council's consideration prior to April 30, 2016. Council instructed that the plan include opportunities for public feedback, land sale and lease recommendations.

Immediately prior to the Horse River Wildfire; on April 19, 2016, Administration brought forward a report that outlined the process for developing a multiplex movie theatre. Council then directed Administration to proceed with public engagement and a review of the LPDAC's recommendations for development, and any other development that the public see fit, to be completed by June 7, 2016. As the RMWB and entire Region was focusing efforts on recovery following the May 2016 Wildfire, this matter was not proceeded with.

Following the 2017 Municipal General Election, Council adopted the 2018-2021 Strategic Plan. In alignment with Priority 2a. "Encourage Development in the Downtown", Administration prepared an RFP to invite a proponent to provide a viable option for the subject lands. The goal of the RFP was to acquire a proponent to design, finance and construct the best, most practical development option for the subject lands.

The RFP was issued on August 11, 2018 and concluded on November 14, 2018. The process yielded one proponent. Administration entered into negotiations with the proponent, but an agreement could not be reached as the RFP requirements were not satisfied.

### **Budget/Financial Implications:**

In alignment with the current plan to collect a community vision as a part of the Downtown Revitalization initiative, engagement costs would be minimal as they could be combined with the current planned engagement scheduled to begin in April.

### **Rationale for Recommendation:**

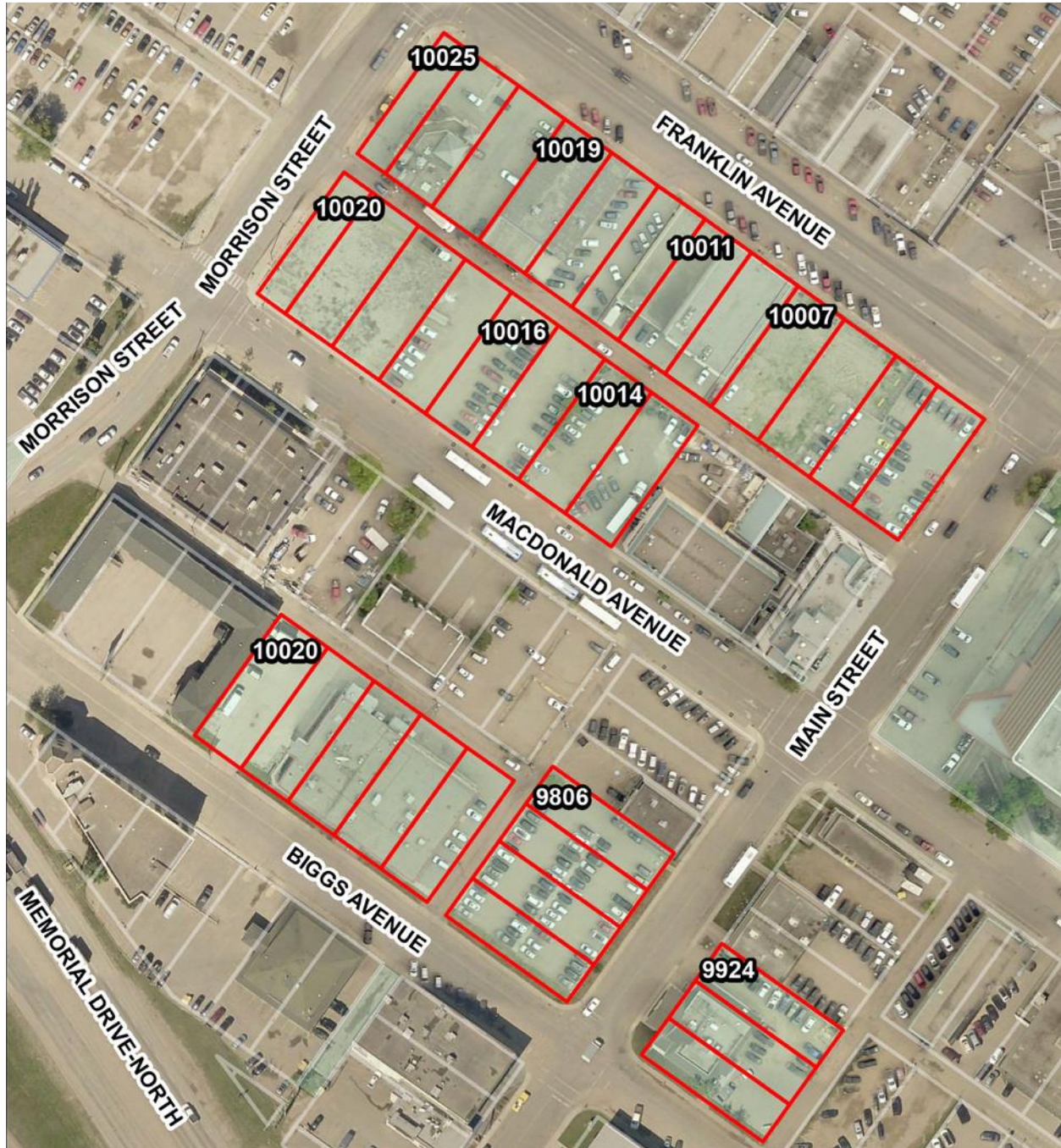
The LPDAC presentation and subsequent work was completed prior to the Horse River Wildfire of 2016. It occurred during a time when local economic conditions were significantly different than they are today. Since that time, the region's population has also changed and re-engaging the community provides Administration with a current status of community needs.

### **Strategic Priorities:**

Downtown Revitalization

**Attachments:****1. Subject Lands**

## The Land Planning and Development Advisory Committee Subject Lands



Attachment: 1. Subject Lands (Downtown Land Development)



## COUNCIL REPORT

Meeting Date: April 9, 2019

**Subject: Lobbyist Registry**

**APPROVALS:**

**Annette Antoniak**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Administrative Officer

### **Recommended Motion:**

THAT Administration explore and bring forward a code of conduct bylaw amendment to include the provision for a lobbyist registry.

### **Summary:**

At the March 12, 2019 Council Meeting, Mayor Don Scott served notice of his intent to bring forward the following motion for consideration at the April 9, 2019 Council Meeting:

THAT Administration explore and bring forward a code of conduct bylaw amendment to include the provision for a lobbyist registry.

### **Rationale for Recommendation:**

Pursuant to Procedure Bylaw 18/020, the motion is now before Council for consideration.

### **Strategic Priorities:**

Responsible Government