



## Council

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

Tuesday, April 12, 2022  
6:00 PM

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## Agenda

1. **Call to Order**
2. **In-Camera Session (commencing at 4:30 p.m.)**
  - 2.1. Advice from Officials/Privileged Information - 2021 External Audit Management Letter  
(in camera pursuant to sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*)
3. **Adoption of Agenda (Public Session at 6:00 p.m.)**
4. **Consent Agenda**
  - 4.1. Minutes of Special Council Meeting - March 29, 2022
  - 4.2. Council Committee Appointments  
  
THAT the Committee Appointments, as outlined in Attachment 1, be approved effective April 12, 2022.
  - 4.3. Bylaw No. 22/004 - 2022 Property Tax Rate Bylaw  
  
THAT Bylaw No. 22/004, being the 2022 Property Tax Rate Bylaw, be read a first time.
5. **Recognition**
  - 5.1. Proclamation - National Volunteer Week
6. **Presentations**
  - 6.1. Gaylene Weidlich, Executive Director, Wood Buffalo Community Foundation, re: Building Sustainable Communities
  - 6.2. Dennis Nephin, Wood Buffalo Presents, re: Wood Buffalo Presents Request for Funding

**7. Unfinished Business****7.1. Athabasca Tribal Council Cultural Festival - Funding Request**

1. THAT the request from the Athabasca Tribal Council (ATC) for \$150,000 to support the 2022 ATC Cultural Festival, be approved and allocated from the emerging issues reserve.
2. THAT Administration work towards a sustainable source of funding that is in alignment with the ongoing municipal response to truth and reconciliation to be included within future Indigenous and Rural Relations Operational Budgets for Council's consideration.

**8. New Business****8.1. 2022-2024 Fiscal Management Strategy**

THAT the 2022-2024 Fiscal Management Strategy, dated April 12, 2022, be accepted as information.

**8.2. 2021 Audited Consolidated Financial Statement**

THAT the 2021 Audited Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ending December 31, 2021, be accepted as information.

**9. Councillor Reporting/Information Updates****10. In-Camera Session**

- 10.1. Advice from Officials - Introduction to Assessment and Tax in Alberta  
(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)

**Adjournment**

**Minutes of a Special 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 29, 2022, commencing at 3:00 PM.**

**Present:**

Sandy Bowman, Mayor  
 Ken Ball, Councillor  
 Funky Banjoko, Councillor  
 Lance Bussieres, Councillor  
 Shafiq Dogar, Councillor  
 Allan Grandison, Councillor  
 Keith McGrath, Councillor  
 Jane Stroud, Councillor  
 Loretta Waquan, Councillor  
 Stu Wigle, Councillor

**Absent:**

Kendrick Cardinal, Councillor

**Administration:**

Jamie Doyle, Chief Administrative Officer  
 Jade Brown, Chief Legislative Officer  
 Deanne Bergey, Director, Community and Protective Services  
 Kari Donnelly, Director, Human Resources  
 Kelly Hansen, Director, Strategic Planning and Program Management  
 Matthew Harrison, Director, Communications and Engagement  
 Brad McMurdo, Director, Planning and Development  
 Antoine Rempp, Director, Environmental Services  
 Keith Smith, Director, Public Works  
 Susan Trylinski, Director, Legal Services  
 Dennis Warr, Director, Engineering  
 Caitlin Sheaves, Legislative Coordinator

**1. Call to Order**

Mayor S. Bowman called the meeting to order at 3:05 p.m.

## 2. Minutes of Previous Meetings

### 2.1. Council Meeting - March 22, 2022

THAT the Minutes of the Council Meeting held on March 22, 2022, be approved as presented.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Stu Wigle, Councillor
<b>SECONDER:</b>	Allan Grandison, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Grandison, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal, Dogar, McGrath

#### Recess

A recess occurred from 3:06 p.m. to 3:08 p.m.

## 3. New and Unfinished Business

### 3.1. Bylaw No. 22/003 - Committees Bylaw No. 17/024 Amendment Specific to the Establishment of the Community Investment Program Advisory Committee

Jade Brown, Chief Legislative Officer, presented Bylaw No. 22/003 which will establish the Community Investment Program Advisory Committee, whose mandate will be to bring forward recommendations to Council regarding the general mandate and scope of the Community Investment Program.

#### Entrances

Councillors K. McGrath and S. Dogar entered the meeting at 3:13 p.m.

#### **MOTION:**

THAT Bylaw No. 22/003, being a bylaw to amend the Committees Bylaw No. 17/024, specific to establishing the Community Investment Program Advisory Committee, be read a first time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Ken Ball, Councillor
<b>SECONDER:</b>	Allan Grandison, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal



**MOTION:**

THAT Bylaw No. 22/003 be read a second time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Stu Wigle, Councillor
<b>SECONDER:</b>	Jane Stroud, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

**MOTION:**

THAT Bylaw No. 22/003 be considered for third and final reading.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Stu Wigle, Councillor
<b>SECONDER:</b>	Allan Grandison, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

**MOTION:**

THAT Bylaw No. 22/003 be read a third and final time.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Jane Stroud, Councillor
<b>SECONDER:</b>	Loretta Waquan, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

**3.2. Tax Refund Request - Plan: 1421965 Unit: 2**

Keivan Navidi, Manager, Assessment, provided an overview of the tax refund request for a portion of the owner's 2020 and 2021 property taxes, noting that Administration is in support of the request.

**MOTION:**

THAT the request for a tax refund, in the amount of \$9,263.76 comprising of municipal tax, education requisition and senior's requisition, for the property located at Plan: 1421965 Unit 2 in Fort McMurray, be approved.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Allan Grandison, Councillor
<b>SECONDER:</b>	Loretta Waquan, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

**4. Councillors' Motions****4.1. Property Tax Ratio (Cr. K. McGrath)**

Councillor K. McGrath put forward the following motion for consideration.

“THAT Administration provide an update to the Government of Alberta on the Regional Municipality of Wood Buffalo’s transition from an 18:1 property tax ratio to 7.5:1 property tax ratio; and request to stay at the 7.5:1 ratio for the next 5 years and on the 6th year, transition to the final 5:1 ratio; and further request that the Government of Alberta accept this proposal by June 1, 2022.”

Councillor K. McGrath spoke to the motion before Council, noting the importance of a formal agreement between the Regional Municipality of Wood Buffalo and the Government of Alberta, regarding the transition to the 5:1 tax ratio.

Perry Berkenpas, Executive Director, Oil Sands Community Alliance, spoke in support of continuing to work collaboratively with the Regional Municipality of Wood Buffalo on achieving the 5:1 ratio in alignment with the previously committed transition plan and timeframe.

Mayor S. Bowman suggested a friendly amendment to replace 7.5:1 with 7.3:1 and replace “and request to stay at the 7.5:1 ratio for the next 5 years and on the 6<sup>th</sup> year, transition to the final 5:1 ratio” with “to move gradually and responsibly to the final 5:1 ratio by January 2028”.

The friendly amendment was accepted by Councillor K. McGrath.

Council then voted on the motion as follows:

**MOTION:**

THAT Administration provide an update to the Government of Alberta on the Regional Municipality of Wood Buffalo's transition from an 18:1 property tax ratio to 7.3:1 property tax ratio; to move gradually and responsibly to the final 5:1 ratio by January 2028, and further request that the Government of Alberta accept this proposal by June 1, 2022.

<b>RESULT:</b>	<b>CARRIED AS AMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	Keith McGrath, Councillor
<b>SECONDER:</b>	Stu Wigle, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

**5. Councillor Reporting/Information Updates**

Council Members provided updates on various topics of personal interest and initiatives in the Region.

**Recess**

A recess occurred to allow the public to vacate the Council Chamber from 3:57 p.m. to 4:11 p.m.

**6. In-Camera Session****MOTION:**

THAT Council close item 6.1 to the public pursuant to sections 17(1) and 19(1) of the *Freedom of Information and Protection of Privacy Act*.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Keith McGrath, Councillor
<b>SECONDER:</b>	Shafiq Dogar, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

## 6.1 Disclosure Harmful to Personal Privacy/Confidential Evaluations – Board and Committee Appointments

(in camera pursuant to sections 17(1) and 19(1) of the *Freedom of Information and Protection of Privacy Act*)

Name	Reason for Attending
Jamie Doyle	Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk
Sonia Soutter	Legislative Advice/Clerk

### Exit

Jade Brown, Chief Legislative Officer, exited the meeting at 4:30 p.m. and returned at 4:50 p.m.

### **MOTION:**

THAT the meeting reconvene in public.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Jane Stroud, Councillor
<b>FOR:</b>	Bowman, Ball, Banjoko, Bussieres, Dogar, Grandison, McGrath, Stroud, Waquan, Wigle
<b>ABSENT:</b>	Cardinal

### **Adjournment**

The meeting adjourned at 5:00 p.m.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Legislative Officer

Minutes Acceptance: Minutes of Mar 29, 2022 3:00 PM (Consent Agenda)



## COUNCIL REPORT

Meeting Date: April 12, 2022

### **Subject: Council Committee Appointments**

#### **APPROVALS:**

**Jamie Doyle**

\_\_\_\_\_  
Director

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

#### **Recommended Motion:**

THAT the Committee Appointments, as outlined in Attachment 1, be approved effective April 12, 2022.

#### **Summary:**

Recommendations are being made to fill vacancies on the Advisory Committee on Aging, Regional Municipality of Wood Buffalo Combative Sports Commission, Wood Buffalo Development Advisory Committee, Wood Buffalo Downtown Revitalization Advisory Committee, and Wood Buffalo Housing and Development Corporation Board. A recruitment campaign was launched on January 14, 2022 and involved advertising via news release to local media outlets and social media. The recruitment campaign concluded on March 11, 2022 yielding 20 applications.

Following the review of the applications received by Council (acting as the Selection Committee), recommendations are being made in keeping with the provisions of the respective municipal bylaws and legislation. The intent of the selection process is to provide an orderly system for the appointment of members that display the attributes, skills and competencies required to sit on specific Committees. The process provides an open, transparent, and consistent system of appointing qualified members to ensure the continued viability of the various Council Committees.

All applications will be kept on file, and should a vacancy occur on any of the Council appointed Boards and Committees throughout the year, applicants may be contacted to confirm their interest in being considered for the opening. All appointees recommended for appointment starting April 12, 2022 have confirmed their continued interest in serving on a Council appointed Board or Committee.

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

The appointment of members is necessary to ensure the continued viability of the various Council appointed Boards and Committees.

**Strategic Priorities:**

Responsible Government

**Attachments:****1. Council Committee Appointments**

**COUNCIL COMMITTEE APPOINTMENTS**

<b>Advisory Committee on Aging</b>			
<b>Name</b>	<b>Sector</b>	<b>Term Duration</b>	<b>End Date</b>
Maureen Grandjambe	Senior At Large – Rural	2 Years	December 31, 2023
Nicholas Paulson	Senior At Large – Indigenous Representative	2 Years	December 31, 2023
<b>Combative Sports Commission</b>			
Mark Critch	Member At Large	1 Year	December 31, 2022
<b>Wood Buffalo Development Advisory Committee</b>			
Dan Soupal	Oil and Gas Representative	2 Years	December 31, 2023
Rene Wells	Public At Large	2 Years	December 31, 2023
<b>Wood Buffalo Downtown Revitalization Committee</b>			
Marty Noskey	Indigenous Representative	2 Years	December 31, 2023
<b>Wood Buffalo Housing and Development Corporation Board</b>			
Tracey Ball	Director At Large	2 Years	December 31, 2023
Maureen Grandjambe	Director At Large	2 Years	December 31, 2023



## COUNCIL REPORT

Meeting Date: April 12, 2022

**Subject: Bylaw No. 22/004 - 2022 Property Tax Rate Bylaw**

**APPROVALS:**

**Jamie Doyle**

\_\_\_\_\_  
Director

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

**Recommended Motion:**

THAT Bylaw No. 22/004, being the 2022 Property Tax Rate Bylaw, be read a first time.

**Summary:**

In accordance with the *Municipal Government Act*, the Regional Municipality of Wood Buffalo (Municipality) is required to pass a Property Tax Rate Bylaw annually for the purpose of completing the work set out in the approved Operating and Capital Budgets.

**Background:**

A property tax rate bylaw establishes the rates at which various property classes are to be taxed and is calculated based on the total assessment value of all taxable properties within each of the property classes throughout the Municipality. The Order in Council, creating the specialized Regional Municipality of Wood Buffalo, provided Council with the authority to establish a mill rate structure for each of the Urban and Rural Service Areas.

Assessment valuation standards are prescribed by the Alberta Provincial Government and are either based on a market value premise or on a regulated cost-based system depending on property type. The tax levied on all residential and commercial properties is calculated by applying the tax rate against the individual property assessment which is an estimate of the market value as of July 1, 2021. The Designated Industrial Properties (DIP) are assessed by the Provincial Assessor.

Property taxes are levied to raise revenue to fund municipal expenditures and pay external requisitions from Alberta Education, seniors' housing (Ayabaskaw House and Rotary House) and the DIP requisition. With respect to requisitions for provincial education, seniors' housing, and the DIP requisition, the requisitioning authorities' tax rates are calculated based on the amounts requested. In imposing levies, it is important to note that the Municipality simply acts as a collector of the funds and has no authority to refuse or change the amount requested by external requisitions.



A typical property tax notice consists of the municipal levy, Alberta Education requisition levy, and levy for seniors' housing. The exception is the Machinery and Equipment class which is exempt from the Alberta Education levy. Only properties identified by the Provincial Assessor as Designated Industrial Properties will include the DIP tax rate. The total amount of property taxes paid will vary based on the actual assessment value and the respective tax rate applied. In establishing municipal tax rates for the 2022 Property Tax Rate Bylaw, the process began with the zero-based budget and resulted in a requirement for less property tax revenue than in 2021.

In order to assist in understanding the 2022 Property Tax Rate recommendations, the following clarifications are provided:

Increases or decreases in municipal tax rates will not necessarily result in corresponding increases or decreases in municipal taxes paid. The reason for this is that increases or decreases in municipal taxes are equally dependent on the year over year assessment change of a property. Due to this formula, many property owners will see reductions in their municipal tax levies even if the tax rate in their tax class has increased.

The formula for calculating municipal property taxes is as follows:

$$\text{Assessment} \times \text{Tax Rate} = \text{Municipal Tax Levy}$$

In general, assessments of non-residential properties declined, and assessments of residential properties increased.

Recommended tax rates for 2022, propose the following changes when compared to 2021 as follows:

- Urban residential tax rate increase of 7%. The median assessment increase of 1%. The median municipal tax change in the urban residential tax class is an increase of \$86 (if no improvements were completed to the home in 2021) due to a combination of the change in assessment over 2021 and the change in the urban residential tax rate.
- Other residential tax rate increase of 1.70%. This increase in tax rate, is less than the median assessment decrease of 2%. The median municipal tax change in the other residential tax class is a reduction of \$107 (if no improvements were completed to the home in 2021) due to a combination of the change in assessment over 2021 and the change in the other residential tax rate.
- Rural residential tax rate increase of 7%. The median municipal tax change in the rural residential tax class is an increase of \$35 (if no improvements were completed to the home in 2021) due to a combination of the change in assessment over 2021 and a change in the rural residential tax rate.
- Urban non-residential tax rate increase of 3.96%. The urban non-residential assessment class experienced an overall decrease due to factors such as sales,

vacancy, availability, rents, and land value, and as such, individual properties may experience differing increases or decreases in taxes. Therefore, a median tax change was not calculated.

- Rural non-residential tax rate decrease of 0.93%. The rural non-residential assessment class experienced an overall decrease of 2% from 2021 to 2022. Due to the wide variance in assessed values in this tax class a median tax change was not calculated.

In addition, based on Matters Relating to Assessment Sub-Classes Regulation Alberta Regulation 202/2017, municipalities can create a sub-class for either the urban or rural service areas entitled “small business property” sub-class. In 2018, the Regional Municipality of Wood Buffalo Council approved the creation of a rural non-residential small business property sub-class. The tax rate of this sub-class is 25% lower than the rural non-residential tax rate. The criteria of this sub-class required that the business:

- must apply online and meet all criteria to be taxed at the rural non-residential small business property tax rate; and
- must be operating under a business license or that is otherwise identified in a municipal bylaw; and
- have fewer than 50 employees across Canada; and
- must hold a RMWB business license as of December 31 of the preceding year.

A rural small business property tax rate has been included within the 2021 Tax Rate Bylaw and is subject to Council approval.

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

For the 2022 taxation year, property tax revenue decreased by \$4 million compared to 2021. Cumulatively, property tax revenue has decreased by \$326 million since the 2016 Budget. The revenue required through property taxes for the 2021 taxation year is \$468,033,800.

Assessment notices were sent out on February 3, 2022, and the deadline for assessment appeals was April 12, 2022, for the majority of properties. In some instances, additional information has been received regarding assessment accounts that have led to the issuance of an updated assessment. In accordance with legislated requirements, notice of the appeal period for these properties is extended by an additional 60 days. A better estimate of assessment roll totals and resulting property tax revenue impacts will be determined when the last appeal deadline has passed.

### **Municipal Government Act s. 358(1) Maximum Tax Rate Ratio (formerly Bill 21 and Bill 8)**

The Municipality is a “non-conforming” municipality meaning that the tax ratio is greater

than 5:1. The tax ratio means the ratio between the highest non-residential tax rate to the lowest residential tax rate. In the Municipality the highest non-residential tax rate is the rural non-residential tax rate, and the lowest residential tax rate is the rural residential tax rate. The tax ratio can be reset each year, but the ratio cannot increase from the previous year. For the 2021 tax year the Municipality's tax ratio was 7.30:1.

Although the regulations guiding the method and time frame for reducing the tax ratio have not been introduced by the Government of Alberta, Council directed Administration to have the 5:1 ratio in place within 10 years starting with 2017. Through budget reductions, and an increase in the rural residential tax rate, Administration continues to work towards this timeline. This tax rate recommendation would result in a tax rate ratio for the Municipality of 6.88:1 for 2022.

There will be some financial implications of any rates lower than recommended 7% increase. For example, with a 0% increase in municipal tax rates for Rural Residential, Urban Residential, Urban Other Residential, and Urban Non-residential classes there would be a \$1.8 million property tax revenue deficiency that would have to be drawn from reserve funds and results in an increase in tax ratio from 7.30:1 in 2021 to 7.40:1 in 2022. In addition, Rural Residential tax rates will require a 11% increase each year from 2022 to 2026 to reach the 5:1 tax ratio goal by 2026.

**Rationale for Recommendation:**

The proposed property tax methodology is budget driven reflecting zero-based budgeting, resulting in an overall reduction in property taxes from 2021, and a systematic reduction in the tax ratio from 2021 to 2022.

**Strategic Priorities:**

Responsible Government

**Attachments:**

**Bylaw No. 22/004 - Tax Rate Bylaw**

**BYLAW NO. 22/004****A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AUTHORIZE A PROPERTY TAX AND ESTABLISH PROPERTY TAX RATES FOR THE YEAR 2022**

**WHEREAS** Sections 353 and 354 of the *Municipal Government Act* require a municipality to pass a property tax bylaw annually and to set and show all tax rates for the year;

**AND WHEREAS** the Alberta School Foundation Fund (ASFF) has issued the following requisitions to the Municipality:

(i)	for residential and farmland	\$22,366,861.90
(ii)	for non-residential property	\$42,422,468.44

**AND WHEREAS** the Fort McMurray Roman Catholic Separate School District #32 has issued the following requisitions to the Municipality:

(iii)	for residential and farmland	\$2,264,894.70
(iv)	for non-residential property	\$2,263,057.80

**AND WHEREAS** the Ayabaskaw House, being a management body under the *Alberta Housing Act*, has issued a requisition to the Municipality in the amount of \$51,000;

**AND WHEREAS** the Rotary House, being a management body under the *Alberta Housing Act*, has issued a requisition to the Municipality in the amount of \$1,916,000;

**AND WHEREAS** Section 10 of the Order in Council No. 817-94 allows the Municipality to establish different rates of taxation for the Urban Service Area and the Rural Service Area, in respect of each assessment class or sub-class referred to in Section 297 of the *Municipal Government Act*;

**AND WHEREAS** the net tax revenue requirement (which does not include Special Assessment and Local Improvement Taxes or Oil Well Drilling Taxes) of the Municipality for 2022 is estimated to be \$464,083,800;

**AND WHEREAS** the total 2022 assessment of land, building, and improvement in the Rural Service Area, from which taxes may be raised, is \$45,684,603,735;

**AND WHEREAS** the total 2022 assessment of land, building and improvements in the Urban Service Area, from which taxes may be raised, is \$11,526,273,099;

**NOW THEREFORE** the Regional Municipality of Wood Buffalo, in Council duly assembled, hereby enacts, as follows:

1. The following tax rates are hereby authorized and imposed against the assessed value of taxable lands, buildings, and improvements as shown on the municipal assessment roll:

**TAX RATES IN RESPECT OF EDUCATION REQUISITIONS, IMPOSED IN BOTH THE RURAL SERVICE AREA AND THE URBAN SERVICE AREA:**

Alberta School Foundation Fund:

- Tax Rate for Residential and Farm Property: 0.0026744
- Tax Rate for Non-Residential Property: 0.0040938

Fort McMurray Roman Catholic Separate School District #32:

- Tax Rate for Residential and Farm Property: 0.0026744
- Tax Rate for Non-Residential Property: 0.0040938

**TAX RATES IN RESPECT OF REQUISITIONS OTHER THAN EDUCATION REQUISITION, IMPOSED IN BOTH THE RURAL SERVICE AREA AND THE URBAN SERVICE AREA:**

Ayabaskaw House

- Tax Rate for Residential and Farm Property: 0.0000009
- Tax Rate for Non-Residential Property: 0.0000009
- Tax Rate for Machinery and Equipment: 0.0000009

Rotary House

- Tax Rate for Residential and Farm Property: 0.0000330
- Tax Rate for Non-Residential Property: 0.0000330
- Tax Rate for Machinery and Equipment: 0.0000330

**TAX RATES IN RESPECT OF DESIGNATED INDUSTRIAL PROPERTY REQUISITIONS, IMPOSED IN BOTH THE NON-RESIDENTIAL PROPERTY AND MACHINERY AND EQUIPMENT:**

- Tax Rate for Non-Residential Property: 0.0000766
- Tax Rate for Machinery and Equipment: 0.0000766

**TAX RATES FOR MUNICIPAL PURPOSES, IMPOSED IN THE RURAL SERVICE AREA:**

- Tax Rate for Residential and Farm Property: 0.0013816
- Tax Rate for Non-Residential Property: 0.0095114
- Tax Rate for Machinery and Equipment: 0.0095114
- Tax Rate for Small Business Property: 0.0071336

## TAX RATES FOR MUNICIPAL PURPOSES, IMPOSED IN THE URBAN SERVICE AREA:

- Tax Rate for Residential and Farm Property: 0.0022923
- Tax Rate for Other Residential Property 0.0062181
- Tax Rate for Non-Residential Property: 0.0044513
- Tax Rate for Machinery and Equipment 0.0044513

### Definitions and Interpretation

2. In this Bylaw:
  - (a) "Municipality" means the Regional Municipality of Wood Buffalo;
  - (b) "Other Residential" has the meaning set out in Section 5 of Bylaw No. 13/012;
  - (c) "Small Business Property" has the meaning set out in the Matters Relating to *Assessment Sub-Classes Regulation* without regard to the option described in clause 3(b)(ii) of that regulation and without adopting an alternative date for establishing the threshold number of employees.
3. The Chief Administrative Officer may from time to time establish procedures to allow for the effective administration of the Small Business Property sub-class tax rate, including without limitation a method for determining and counting full-time employees, and the frequency of that count.
4. This Bylaw comes into force when it is passed.

READ a first time this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

READ a second time this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

READ a third and final time this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

SIGNED and PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Legislative Officer



REGIONAL MUNICIPALITY  
OF **WOOD BUFFALO**

OFFICE OF THE MAYOR

## ***P R O C L A M A T I O N***

- WHEREAS** National Volunteer Week is an opportunity to celebrate the strength and impact of volunteerism in our community and across our country; and
- WHEREAS** the National Volunteer Week theme for 2022, Volunteering is Empathy in Action, affirms the strong connection between volunteerism and empathy.
- WHEREAS** volunteering can help us to see the world through the eyes of others, connect people with diverse backgrounds and life experiences, and expand our views. It can enhance our capacity to work collectively to build a more inclusive society; and
- WHEREAS** more than 6,000 volunteers give their time to help others locally each year and during the 2021 pandemic year, volunteer work in the region generated a dollar value of approximately \$140,000; and
- WHEREAS** during National Volunteer Week 2022, we are called to celebrate the contributions of all volunteers in Fort McMurray Wood Buffalo, their actions, understanding, genuine concern and dedication to the communities in which we live.

**NOW THEREFORE**, I, Sandy Bowman, Mayor of the Regional Municipality of Wood Buffalo, do hereby proclaim **April 24 - 30, 2022**, as:

### **“NATIONAL VOLUNTEER WEEK”**

**IN WITNESS WHEREOF**, I have hereunder set my hand and caused to be affixed the seal of the Regional Municipality of Wood Buffalo in Fort McMurray, Alberta, this **12th day of April 2022**.

**Sandy Bowman**  
**Mayor**

From: [no-reply@rmwbext.ca](mailto:no-reply@rmwbext.ca)  
 To: [Legislative Assistants](#)  
 Subject: Council Meeting Presentation Request – Gaylene Weidlich  
 Date: Thursday, February 17, 2022 3:11:35 PM

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External Message - Please be cautious when opening links or attachments in email

A Council Meeting Presentation Request has been submitted at Thursday February 17th 2022 3:11 PM with reference number 2022-02-17-013.

- **Preferred date of presentation**  
3/22/2022
- **Name of speaker/presenter**  
Gaylene Weidlich
- **Organization name (if applicable)**  
Wood Buffalo Community Foundation
- **Presentation topic**  
Building Sustainable Communities
- **List specific points/concerns**  
Wood Buffalo Community Foundation (WBCF) is celebrating its 5th year anniversary and we would like to update Council on how WBCF has impacted the community and its residents; and what the future holds.
- **Action being requested of Council**
  1. Information purposes
  2. Potential for future partnerships or collaboration on projects/programs.
- **Are you providing any supporting documentation (i.e. PowerPoint presentation)?**  
Yes
- **Name of contact person**  
Gaylene Weidlich
- **Phone number (daytime)**  
**FOIP section 17(1)**



- **Email address**

manager.wbcf@gmail.com

- **Mailing address**

c/o The Redpoll Centre at Shell Place, 1 C.A. Knight Way

- **City / Town**

Fort McMurray

- **Postal code**

T9H 5C5

- **Acknowledgment**

I have read and understand that my name and supporting materials (if any) will be made publicly available in the Council agenda. My contact information will NOT be included in the public record.

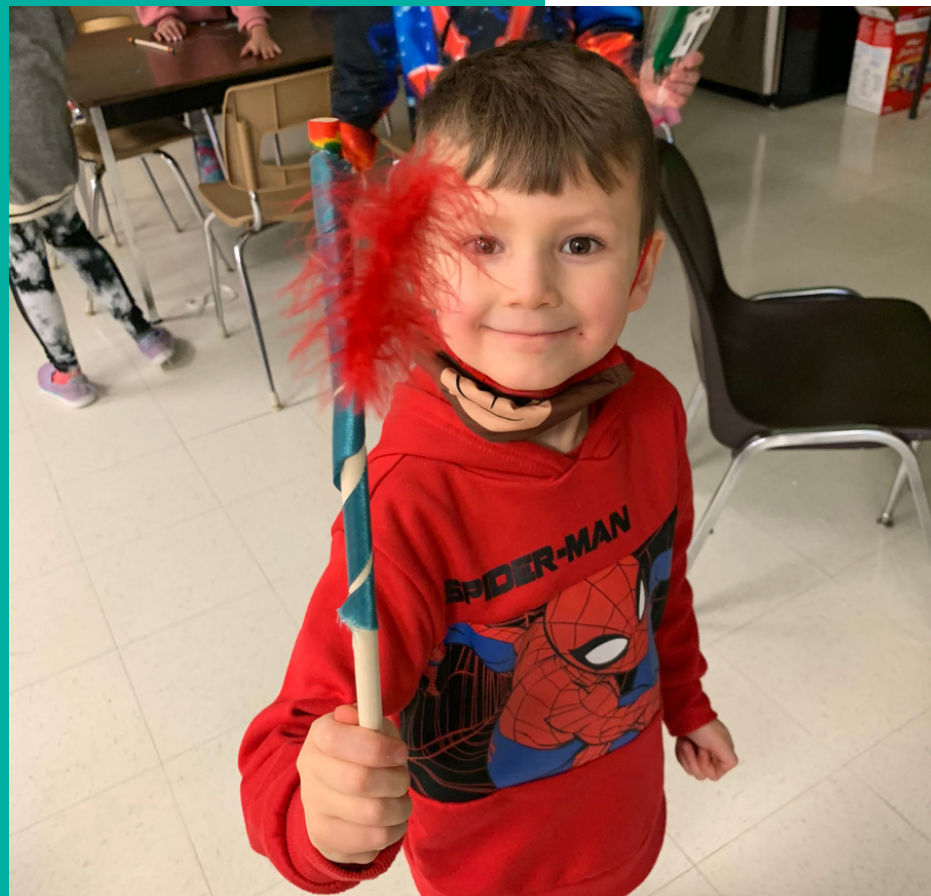


**Strengthening the social fabric  
and quality of life in  
Fort McMurray Wood Buffalo.**



# BUILDING SUSTAINABLE COMMUNITIES

We connect people, families and companies with causes that inspire them within Fort McMurray Wood Buffalo. We are passionate about collaborating with others in the community to affect positive social investment.



# ABOUT US

Helping good people do GREAT things. Most of our donors are ordinary people doing extraordinary things.

WBCF is a registered CRA charity. We have funded local initiatives in a wide variety of areas including health and education, arts and culture, social services, sports and recreation, the environment and other emerging community needs.

Granted nearly

**\$1.4 Million**

into Fort McMurray Wood Buffalo

Since 2017



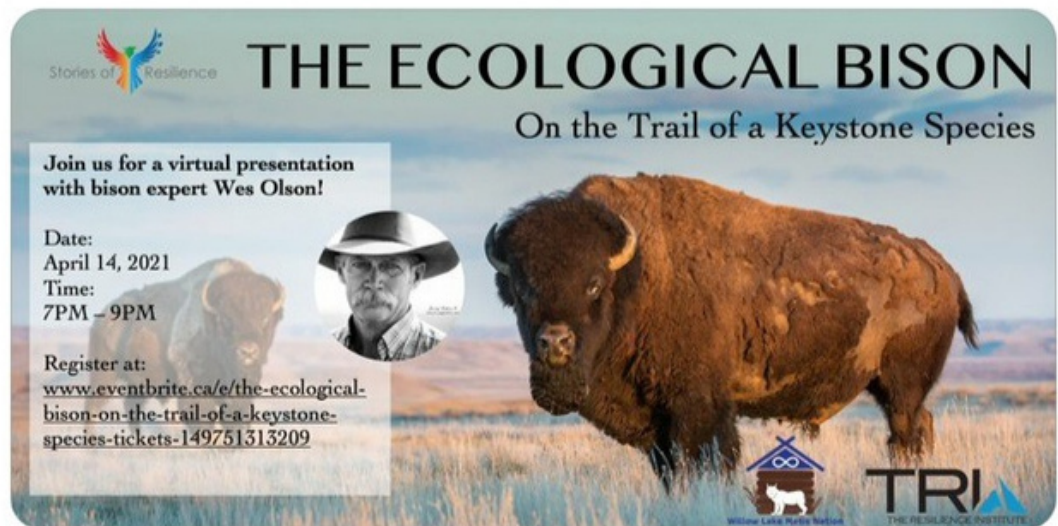




The Resilience Institute

@TRLinitiative

Great presentation tonight in launch of the Bison - Stories of Resilience project with the Willow Lake Metis! Thanks to @WBCFoundation for supporting this inspiring community program! More to come!



# 5 YEARS OF IMPACT



Flexible granting options that meet community needs, where it's needed the most. For example, WBCF facilitated emergency COVID response funding throughout 2020 and 2021, in addition to the annual Community Grants.



## ENDOWED FUNDS

Donations are invested into endowed funds, like a permanent savings account.



## GRANTING

Every year, 4% of the Funds are granted out to local social profits.  
Other granting streams as available.



## IMPACT

Providing flexible funding for programs/projects improves the well-being of the residents of Fort McMurray Wood Buffalo.

# FLEXIBLE OPTIONS



GRANTS



SCHOLARSHIPS



STRENGTHENING  
COMMUNITY





# VITAL SIGNS



**Identifying community gaps**



**Measuring community impact now and in the future.**



**Engaging in conversations with community; donors; and funders.**



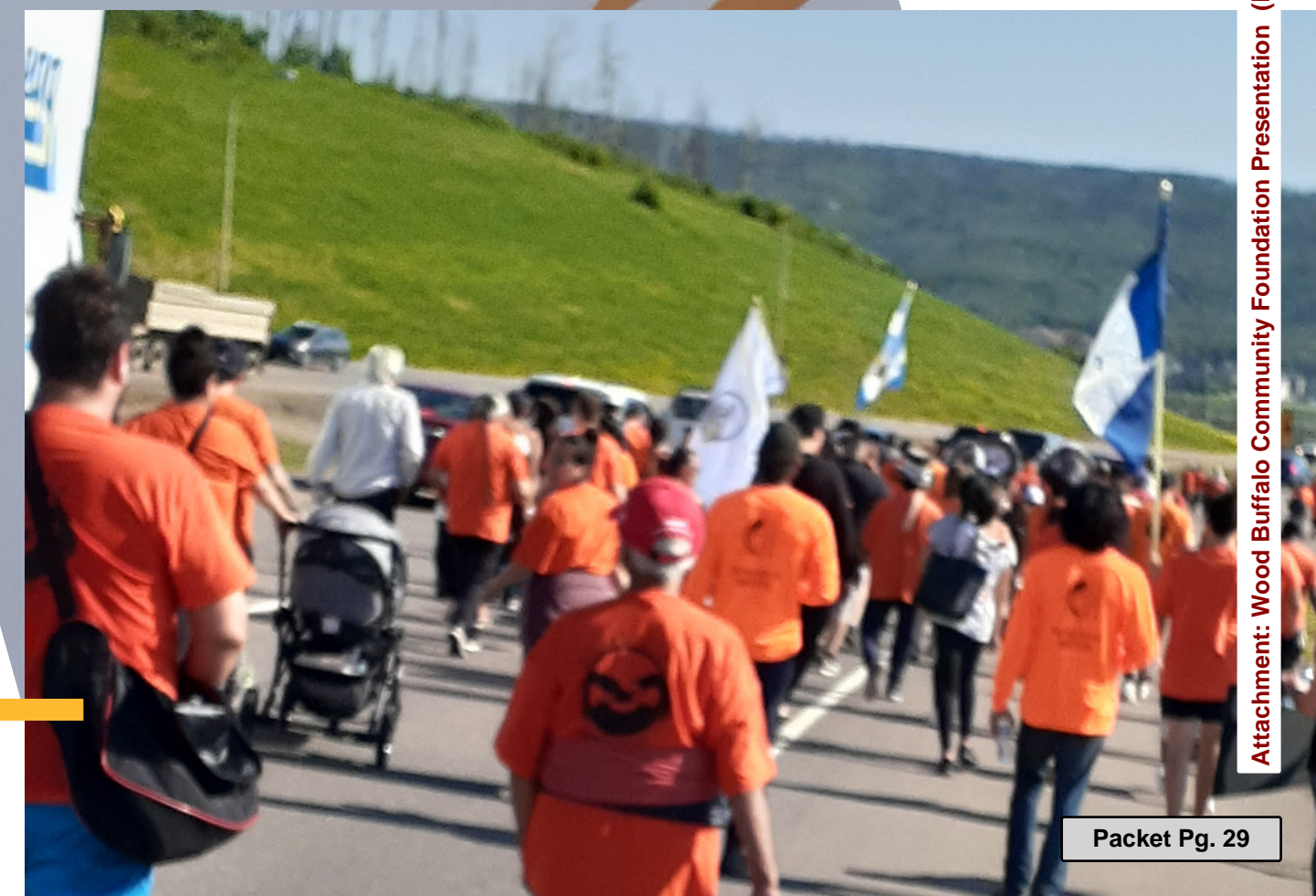
**Aligning with SDGs and the RMWB's MDP.**



# RECONCILIATION

WBCF is doing our part towards Reconciliation within Treaty 8 Territory. We are committed to learning the truth; building meaningful relationships; and being a strong Ally.

## Truth and Reconciliation Commission of Canada: Calls to Action





# WORKING TOGETHER



Examples of municipalities and community foundations that work together to build stronger communities.

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# GET IN TOUCH

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Our door is always open for conversations about strengthening community stability; collaboration; and funding impact areas.

## **CONTACT:**

manager.wbcf@gmail.com

780-598-2050

[www.wbcfoundation.ca](http://www.wbcfoundation.ca)

# THANK YOU



WOOD BUFFALO  
COMMUNITY  
FOUNDATION

**From:** [no-reply@rmwbext.ca](mailto:no-reply@rmwbext.ca)  
**To:** FOIP s17(1)  
**Subject:** Council Meeting Presentation Request – Dennis Nephin  
**Date:** Wednesday, April 6, 2022 1:38:13 AM

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**External Message - Please be cautious when opening links or attachments in email**

A Council Meeting Presentation Request has been submitted at Wednesday April 6th 2022 1:33 AM with reference number 2022-04-06-001.

- **Preferred date of presentation**  
4/12/2022
- **Name of speaker/presenter**  
Dennis Nephin
- **Organization name (if applicable)**  
Wood Buffalo Presents
- **Presentation topic**  
Wood Buffalo Presents Request for Funding
- **List specific points/concerns**
  - Introduction of Wood Buffalo Presents and a brief overview of the organization and its members.
  - Proposed community events and programs, and the impact on our region.
  - Request for Funding
  - Synergies and alignments with the Wood Buffalo Presents and the RMWB Strategic plan.
  - Benefits for our community members, region and the positive impact on destination tourism
  - Sustainability and economic growth plan
- **Action being requested of Council**  
We will be requesting that council allocates \$368,345.00 of sustaining grant funding from the emerging issues fund to Wood Buffalo Presents to assist with the 2022 budget. This will be a one time request for funding as Wood Buffalo Presents will be fully self funded within 12 months.
- **Are you providing any supporting documentation (i.e. PowerPoint presentation)?**

Yes

- **Upload supporting document(s)**

1. [Wood Buffalo Presents overview.pdf \[375.7 KB\]](#)

- **Name of contact person**

Dennis Nephin

- **Phone number (daytime)**

FOIP s17(1)

- **Email address**

ed@woodbuffalopresents.com

- **Mailing address**

FOIP s17(1)

- **City / Town**

Fort McMurray

- **FOIP s17(1)**

- **Acknowledgment**

I have read and understand that my name and supporting materials (if any) will be made publicly available in the Council agenda. My contact information will NOT be included in the public record.



***“Coming together is a beginning, staying together  
is progress, and working together is success.”***

**-Henry Ford**





# Wood Buffalo Presents

## Vision

Wood Buffalo is a region joined together through diverse community events, improving the quality of life for present and future generations.

## Mission

We strive to provide professionally managed events and programs for everyone who lives in or visits our region. We will bring industry and community together to celebrate our regions culture, lands and diverse demographic.

## Core Values

Integrity, Innovation, Accountability, Equality



# Investing for Change

## **Primary priorities Wood Buffalo Presents include:**

1. Sustainable Community Events and Programs
2. Destination Tourism and Attraction
3. Indigenous Partnerships

## **Secondary priorities for Wood Buffalo Presents include:**

1. Community Engagement
2. Keeping it Local
3. Health and Wellness
4. Youth Programs and Mentorship

# Investing in community

Community Events	Event Partnership
Disney in the Park	Willow Lake Metis Cultural Exchange
Easter Hop	Chard Metis Invitational
Littles Luncheon	Rock the Rails
NYE Live from London	La Diner En Blanc
Celebrate 54 African Festival	Fort McMurray Snowboard Club
Mac City Concert Series(10 events)	Saprae Creek Community Social
Halloween Scream	Community Clean up
The Winter Showcase	Gregoire Days
Diamond Royale Gala	
Fort McMurray Toolbox Open	
Fairway Carnival	

# Budget

2022 Grant Request	
Revenue	\$364,500.00
Expenses	\$732,845.00
Subsidy Request	\$368,345.00
Subsidy represents 50.3% of total expenses	

# Budget

2023 Grant Request	
Revenue	\$703,500.00
Expenses	\$696,345.00
Subsidy Request	\$0.00

# Community Benefits

- 22 community events, 50% of them that are free to the community
- Support from 36 businesses and growing through events and partnership
- 3 Full time positions, 2 part time and 108 event contract positions
- Aligned with 40% of the Regional Municipality of Wood Buffalo's strategic plan action items
- Fully sustainable and self funded in 12 month
- Economic driver for downtown business and development
- Answering the call for Truth and reconciliation in our region
- Increased visitor spending and tourism revenue
- Highlight our region as a vacation destination
- New opportunities for businesses and organizations
- Bringing communities together while working towards mutually beneficial goals
- Opportunities for our Indigenous communities to showcase their culture
- Unite the local tourism industry
- Attract, develop, and support tourism products

These are just some of the benefits for our region, with your support we will continue to grow and support the Regional Municipality of Wood Buffalo.

# Thank You for supporting our community



Wood Buffalo Presents

# Overview

## 2022

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April 1<sup>ST</sup>, 2022

Event Management, Community Engagement,  
and Destination Tourism

## Wood Buffalo Presents – Core Elements

### Vision

Wood Buffalo is a region joined together through community events, improving the quality of life for present and future generations.

### Mission

We strive to provide professionally managed events and programs for everyone who lives in or visits our region. We will bring industry and community together to celebrate our area's culture and unique demographic.

***“Coming together is a beginning, staying together is progress,  
and working together a success.”***

**- Henry Ford**

### Our Values

**Integrity:** Whether it's a commitment to our attendees, industry peers, or each other, we accomplish what we set out to do and strive to exceed expectations with every project while upholding an ethical and honest approach.

**Accountability:** Measuring ourselves against the highest standards of integrity and economic and social responsibility is essential to our organization. Continuing to commit resources and opportunities for our Indigenous communities to ensure long-term gain and cultural reconciliation will be reflected in everything we do.

**Innovation:** Creativity is the spark of our community. We value original thinking, the passion for attacking complex challenges, and the constructive feedback that will implement change.

**Equality:** Wood Buffalo Presents is committed to honoring the value and dignity of all individuals. We pledge to foster an environment that respects diversity, inclusion, and accessibility through our work so that all who live and travel to our region feel welcome.



## Who Are We?

We are a non-profit organization that provides various feasible events and programs that enrich our community's cultural and economic prosperity. It's our mission to provide Fort McMurray & surrounding communities with professionally managed sustainable community events and programs for all to attend.

## Our Story

Wood Buffalo Presents was unknowingly in its infancy in 2019; a group of like-minded residents came together with a shared vision of enriching lifestyle, promoting community engagement with a focus on economic betterment for our region. In the beginning stages, our members would have never imagined the community and enrichment that our organization embodies today.

Fast forward to 2022 - Our members have taken monumental steps to gain a broader reach by becoming a registered non-profit organization, making the full-time commitment to enhancing our region a reality. This new milestone brings many opportunities, such as an influx of sustainable events, an increased sense of community, and the chance to work with more of our local groups, businesses, and Indigenous partners for economic benefits in our region.

Our organization was born on the premise of the community. It will stay true to that value through local vendor engagement, volunteering opportunities, and supporting programs and resources most important to Wood Buffalo residents. Through every event, fundraiser, and schedule, we will focus on promoting our region to the broader population to demonstrate the many benefits of calling Wood Buffalo home.

Sustainability and value transfer begin with engaging all demographics and age groups. We strive for sustainability through youth engagement and workplace integration, so our residents can enjoy our events and programs for generations to come. We are proud to represent and contribute to a place that everyone can call home.

## STRATEGIC DIRECTION

The 2022 strategic plan will focus on three primary priorities that will unite our region as we rebuild what was lost due to the Covid-19 pandemic, the ongoing economic recession, and the natural disasters we have endured.

It was decided that these priorities will be the primary focus for the next three years as development and economic drivers will provide tangible and measurable results.

Our secondary priorities will help us achieve our strategic direction while staying aligned with our region's planning and development goals. Incorporating these goals (secondary priorities) into our plan will ensure the support and engagement of our communities through effective communication.

### Primary priorities for this plan include:

1. Sustainable Community Events and Programs
2. Destination Tourism and Attraction
3. Indigenous Partnerships

### Secondary priorities for this plan include:

1. Community Engagement
2. Keeping it Local
3. Health and Wellness
4. Youth Programs and Mentorship

## Sustainable Community Events and Programs

As the founding component of our organization, creating and executing sustainable events for our communities is our primary focus. Wood Buffalo Presents has designed an inclusive event schedule that will feature various diverse events and activities for all the people of our region to experience.

Understanding the importance of events and their impact on community, culture, and mental health, our goal is to create sustainable events that can grow over time and allow ownership from community members and groups.

Brand recognition that comes with annual events will help activate our secondary priorities. Highlighting these available platforms for fundraising, furthering education, and community engagement will increase participation and economic opportunities.

Designing our community events as annual or recurring projects will allow sustainable and feasible futures. Applying our experience and formal education in creating and executing our events will increase cost savings and help generate additional revenue streams. All events are designed to be completely self-sustainable.

As a region, the opportunity for a fulfilled quality of life must be available to everyone. A dedication to planning and working with our community partners will ensure everyone has access to healthy work and leisure balance and can embrace the Wood Buffalo region.

### **Outcomes of Sustainable Community Events**

- Opportunities to network and interact as a community
- Feasible entertainment and activities for families to experience
- Engage youth in the hospitality and tourism industry
- Showcasing cultures and celebrating the diversity of our region
- Educating our community about causes and the importance of giving
- Creating platforms for local businesses to highlight their products and services

## Destination Tourism and Attraction

Our tourism plan will promote sustainable year-round economic growth in the local tourism sector and highlight Wood Buffalo as a destination of choice. Showcasing our existing demand generators in the tourism industry is the approach we will take as an organization to endorse our region.

As the potential of our region has always been the tourism driver in the past, we believe a stronger emphasis on what makes us exceptional is the key to the future. We offer a natural environment and landscapes, unique experiences, recreation, and a prosperous cultural heritage as a northern region.

Providing activities and attractions through events will allow us to engage our community and empower them as ambassadors of our region. Creating the mindset that Wood Buffalo is an ideal place to come together to experience adventure and excitement will increase tourism opportunities.

### **Outcomes of Destination Tourism and Attraction**

- Increased visitor spending and tourism revenue
- Highlight our region as a vacation destination
- New opportunities for businesses and organizations
- Bringing communities together while working towards mutually beneficial goals
- Opportunities for our Indigenous communities to showcase their culture
- Unite the local tourism industry
- Attract, develop, and support tourism products

## Indigenous Partnerships

As we live and operate within Treat 8 territory and unceded Metis lands, we must collaborate with Indigenous groups and community partners as we endorse our region. We strive to engage with many Indigenous individuals and communities meaningfully by providing opportunities through our events and programs.

Identifying potential opportunities and barriers to a community's ability to participate, plan, and attend events will allow us to provide the necessary tools and means for success. This will also add to the strength of our Indigenous communities as they become tourism destinations. Capitalizing on new revenue streams and business ventures in the growing hospitality industry will create many positive opportunities.

Ensuring our Indigenous people have access to jobs, training, and education as we grow this new sector will provide long-term sustainable economic benefits. Working together to educate and inspire communities to celebrate their culture and heritage on a social platform creates increased cultural awareness and engagement.

### **Outcomes of Indigenous Partnerships**

- A platform for youth to explore hospitality and tourism careers
- Increased sustainable tourism in Indigenous communities
- Economic growth for Indigenous businesses and organizations
- Exciting post-secondary opportunities outside of Oil & Gas
- Highlighting Indigenous culture and heritage on a global scale
- Answering the call to action for reconciliation for our Indigenous Nations

## Proposed 2022 Event Schedule

### Family Events

Disney in the Park	February 2022	Community event for kids to meet and skate with their favorite Disney characters.
Easter Hop	April 2022	A holiday celebration for youth to dance, create and experience community.
The Little's Luncheon	November 2022	A Christmas event that inspires imagination, giving, and the holiday spirit. We are featuring local entertainment, crafts, and a visit with Santa. The live Christmas caroling introduces the youth to the performing arts culture.
NYE in London	December 2022	A New Year's Eve celebration that allows parents to ring in the new year and watch the ball drop in real-time (England) with their Children.

### Community and Cultural Events

Mac City Concert Series Spring Feature	April 2022	Spring is a time for change and inspiration. Spring will kick off the Mac City Concert Series with a featured performance.
Celebrate 54	August 2022	We embrace our solid African communities to host a celebration recognizing the 54 African Countries. Celebrate 54 takes place on the 54 <sup>th</sup> day of summer and will be a cultural festival for all to enjoy.
Mac City Concert Series Festival	September 2022	The Mac City Concert Series has quickly made Fort McMurray the Labour Day destination for all Albertans. Hosting the most extensive free festival in Alberta has highlighted our organization and the community for the past three years.
The Winter Showcase	December 2022	The winter showcase is a collection of community events that brings everyone together through dance, entertainment, celebration, and culture.

The Fairway Carnival	June 2022	The Fairway Carnival is a perfect partnership with sport and the arts. This interactive golf tournament features a cultural experience with live entertainment, art, buskers, and a culinary celebration.
Mac City Concert Series – The Big Show	July 2022	The Big Show will be our ticketed event of the year. This will feature world-class entertainment and be the event that assists in the funding for the free festival Labour Day weekend.
The Toolbox Open	August 2022	The Fort McMurray Toolbox Open was created out of the ashes of the wildfire in 2016. Crowned the best golf tournament in Fort McMurray, the Toolbox Open has brought industry and community together for over six years.
The Diamond Royale Gala	November 2022	The Diamond Royale Gala is one of the most anticipated galas of the year. Known for its exciting interactive atmosphere, this event is a community staple.





## COUNCIL REPORT

Meeting Date: April 12, 2022

### **Subject: Athabasca Tribal Council Cultural Festival - Funding Request**

#### **APPROVALS:**

**Jamie Doyle**

\_\_\_\_\_  
Director

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

#### **Recommended Motion:**

1. THAT the request from the Athabasca Tribal Council (ATC) for \$150,000 to support the 2022 ATC Cultural Festival, be approved and allocated from the emerging issues reserve.
2. THAT Administration work towards a sustainable source of funding that is in alignment with the ongoing municipal response to truth and reconciliation to be included within future Indigenous and Rural Relations Operational Budgets for Council's consideration.

#### **Summary:**

On March 8, 2022, Chief Allan Adam, President ATC and Chief of the Athabasca Chipewyan First Nation (ACFN), and Karla Buffalo, Chief Executive Officer, ATC presented information on the ATC Cultural Festival and requested \$150,000 in funding to support the event. Following a motion from Mayor Bowman, Council referred the matter to Administration for review and requested that Administration return to Council with a report outlining how the funding request could be considered.

#### **Background:**

The ATC Cultural Festival is scheduled to take place from September 8 - 11, 2022, and builds on the success of the first event held in 2019, which saw over 5,000 participants. The four-day event will deliver a festival experience that fosters the development of the diverse and distinctive Indigenous culture in northern Alberta. It is an important experience that celebrates and showcases Indigenous art and history, creating a more culturally inclusive community with new and exciting opportunities for tourism and economic development.

#### **Alternatives:**

Deny the request from ATC for \$150,000 in funding to support the Cultural Festival.



**Budget/Financial Implications:**

Funds in the amount of \$150,000 to be released from the emerging issues reserve.

**Rationale for Recommendation:**

Celebrating and supporting Indigenous culture is an essential step on the path towards successful reconciliation. In addition to strengthening relationships with ATC and local First Nations and Métis partners, supporting the Cultural Festival would advance several of the Calls to Action within the Truth and Reconciliation Commission (TRC) final report. Specifically, Calls to Action 61, 62, and 63 which focus on culture revitalization and Calls to Action 13 and 14 which focus on language revitalization.

Culture is essential to the overall well-being of Indigenous communities and individuals and has been shown to be a protective factor against the breakdown of physical and mental health. The legacy of residential schools and colonial policies like the *Indian Act* have resulted in severe negative impacts to cultural identity and continuity. These systems and their policies were intended to assimilate Indigenous Peoples by forbidding youth and communities to speak their traditional language or practice their traditional customs and ceremonies.

To advance reconciliation, the TRC recognized the need for permanent funding that would support cultural revitalization and continuity. The Municipality has expressed its commitment to the ongoing process of reconciliation and has formally adopted several Calls to Action. The ATC Cultural Festival aligns with several municipal priorities such as downtown revitalization, regional economic development, and rural and Indigenous communities and partnerships. Supporting the Cultural Festival is an opportunity to reaffirm the Municipality's commitment to reconciliation while establishing itself as a leader for other municipalities in the province and the country to follow.

**Strategic Priorities:**

Responsible Government  
Rural and Indigenous Communities and Partnerships

**Attachments:****1. Athabasca Tribal Council-CF2022-RMWB Presentation**



# CULTURAL FESTIVAL 2022





# ABOUT THE ATC CULTURAL FESTIVAL

The mission of the Athabasca Tribal Council Cultural Festival is to develop and deliver a festival that showcases, celebrates, and fosters the development of Northern Alberta's diverse and distinctive First Nations, arts and culture.

The ATC Cultural Festival 2022 will build on the success of the inaugural festival that took place in 2019. We will be hosting Indigenous artists and performers from the region's First Nations, along with guest artists for four days of spectacular arts and cultural programming. The ATC Cultural Festival offers participants engaging and inspiring opportunities highlighting collaboration, artistic development, mentorship, and cultural revitalization.

Hosted by Athabasca Tribal Council, this will be a gathering and celebration that welcomes all people. The ATC Cultural Festival will be both an important community event, and a new cultural tourism attraction for Wood Buffalo.





# SNAPSHOT OF THE 2022 FESTIVAL

- ✧ Mainstage featuring local, national and international Indigenous artists and performers.
- ✧ Cultural Village set up to experience a traditional village highlighting all different aspects of Cree and D ne cultures.
- ✧ Hand Games Tournament with cash prizes for 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> place winners.
- ✧ Workshop Program (40+) emphasizing mentorship, skill sharing and exploration.
- ✧ Fashion Show showcasing both traditional and modern attire
- ✧ School Program teaching Indigenous Culture
  - ✧ Traditional Food Demonstrations including preservation and preparation methods
  - ✧ Gallery and Gift Shop
    - ✧ Daily breakfast, BBQ lunches and dinner feasts that are free and open to the community.





**CULTURAL  
FESTIVAL 2022**

**SEPTEMBER 8-11, 2022**

7.1.a

## VALUES OF THE FESTIVAL

**SHOWCASE** our region with a healthy, culturally vibrant event that prides itself on respect, inclusion and excellence.

**INVEST** in the development of Wood Buffalo's diverse economy by supporting Indigenous artists, craftspeople, performers, culinary professionals, and the local companies and employees who will be needed to create this event.

**CREATE** a destination event to attract tourism to our region, showcasing the unique beauty and diversity that is Wood Buffalo, sharing the heritage of our traditional lands and the extraordinary hospitality of our region with guest from all over western Canada and beyond.

**BELIEVE** in the power of arts and culture to inspire pride and social well-being in regional Indigenous youth and communities.

**THE PATH OF TRUTH & RECONCILIATION** is traveled by actions. This festival will empower the Indigenous cultural revival for all who attend and are involved.

Attachment: 1. Athabasca Tribal Council-CF2022-RMWB



@AthabascaTribalCouncil.ATC

**WWW.ATCCULTURALFESTIVAL.CA**



@atc\_athabasca Tribal Council

**Packet Pg. 57**





**CULTURAL  
FESTIVAL 2022**

**SEPTEMBER 8-11, 2022**

7.1.a

## HIGHLIGHTS OF 2019

- 30 different workshops with multiple sessions teaching crafts, arts, language, storytelling, and artist entrepreneurship.
- Traditional dancing, supporting local Indigenous performers raising their profile to a broader audience.
- Traditional Cree and D ne drumming and teaching sessions
- Traditional D ne Hand Games Tournament with participants at all levels of play.
- Demonstration of traditional hunting, trapping techniques, and methods used to preserve food.
- Gift shop featuring items crafted by Indigenous artists, with many local artist selling out with their products in high demand.
- Community Feast showing appreciation for our Indigenous community members and supporters of the Festival.



Attachment: 1. Athabasca Tribal Council-CF2022-RMWB



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**Packet Pg. 58**



**CULTURAL  
FESTIVAL 2022**

7.1.a

**SEPTEMBER 8-11, 2022**

## WHAT'S NEW FOR 2022

- Expanding from a 3-day to a 4-day festival
- Expanding the capacity for workshops in crafts, art, language as well as Indigenous business entrepreneurship and tourism
- Expanding School programs for more robust curriculum to cover, inspiring the next generation.
- Daily breakfast, lunch and dinner offered to attendees, showcasing the sharing of food as a community is a integral part of our culture and communities.
- More hands on demonstrations from artists, hunters, trappers and fishermen showcasing traditional and modern ways of living off of the land.
- Indigenous Fashion Show bringing the most talented artists and designers, both traditional and modern to inspire a new generation and awe the crowds.



Attachment: 1. Athabasca Tribal Council-CF2022-RMWB



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**Packet Pg. 59**





**CULTURAL  
FESTIVAL 2022**

7.1.a

**SEPTEMBER 8-11, 2022**

## ENTICING PEOPLE TO WOOD BUFFALO

- Our goal is to make Cultural Festival a must-attend event that draws people from all over Alberta & Canada.
- Continuing to build Fort McMurray Wood Buffalo as a cultural destination that opens new opportunities for tourism, and deeper arts and culture exploration.
- This attracts new families, and individuals building a more inclusive community for everyone.



Attachment: 1. Athabasca Tribal Council-CF2022-RMWB



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@atc\_athabascatribalcouncil

**Packet Pg. 60**





**CULTURAL  
FESTIVAL 2022**

**SEPTEMBER 8-11, 2022**

7.1.a

## **ADVANCING TRUTH AND RECONCILIATION**

- Celebrating and supporting Indigenous culture is an essential step on the path towards successful reconciliation.
- ATC has had the opportunity to build a meaningful partnership with the RMWB and believes this relationship can serve as an example of municipalities coming together with Indigenous communities to support one another.
- Continuing to be an ally in events like Cultural Festival positions RMWB as a role model and leader for municipalities across the province.

Attachment: 1. Athabasca Tribal Council-CF2022-RMWB



@AthabascaTribalCouncil.ATC

**WWW.ATCCULTURALFESTIVAL.CA**



@atc\_athabasca Tribal Council

**Packet Pg. 61**



**CULTURAL  
FESTIVAL 2022**

**SEPTEMBER 8-11, 2022**

7.1.a

## **WORKING TOGETHER**

- Funding request of \$150,000 to support building the 2022 ATC Cultural Festival.
- Partnership opportunities to work collaboratively to build and grow this festival experience for the whole region's benefit.

Attachment: 1. Athabasca Tribal Council-CF2022-RMWB



@AthabascaTribalCouncil.ATC

**WWW.ATCCULTURALFESTIVAL.CA**



@atc\_athabasca Tribal Council

**Packet Pg. 62**





# COUNCIL REPORT

Meeting Date: April 12, 2022

**Subject: 2022-2024 Fiscal Management Strategy**

**APPROVALS:**

**Jamie Doyle**

\_\_\_\_\_  
Director

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

## **Recommended Motion:**

THAT the 2022-2024 Fiscal Management Strategy, dated April 12, 2022, be accepted as information.

## **Summary:**

The 2022-2024 Fiscal Management Strategy (FMS) provides a high-level overview of the Municipality's operating and capital needs for the current year and the next two years. The FMS is being presented as information and guidance as Council considers the 2022 Property Tax Rate Bylaw. In addition, the FMS continues to build on the Municipality's principles of predictability, stability, and transparency in managing its financial resources and communication with residents.

## **Background:**

In January 2018, Council of the Regional Municipality of Wood Buffalo (Municipality) approved a Strategic Plan that will guide the Municipality from 2018-2021. Embodied within the Strategic Plan is a key strategic priority titled Responsible Government. Fiscal Responsibility and Council adoption of a fiscal strategy are identified as a key initiative.

For 2017, the Municipality introduced a zero-based budgeting methodology, evaluating every expenditure from the perspective of a transformed region. This budget method focuses on understanding the costs of providing programs and services with a continued emphasis on finding savings and efficiencies. Using this budgeting strategy, property tax revenue has decreased by \$326 million since the 2016 Budget.

The 2022-2024 FMS does not include defined approaches for some aspects of the strategy due to the research required and a deeper understanding of the variables that will impact future strategies.

- **Asset Management Project:** As the asset management project progresses, the Municipality will be in a better position to identify future funding requirements to maintain and/or rehabilitate assets. Current plans are premised on the age of

infrastructure as opposed to condition; therefore, it is difficult to quantify resources required until further progress is made. This information will also directly impact the development of a financial reserve strategy.

- **Taxation Stabilization:** To determine vulnerability of the assessment base in order to mitigate the impact on property taxation revenue. Due to changes in the *Municipal Government Act*, Section 358(1) Maximum Tax Ratio, limitations will impact the Municipality's ability to raise sufficient tax revenue for unanticipated expenditures; therefore, there will be an increased focus on financial reserves to provide supplemental funding during these situations. Significant progress has been made to reduce the taxation ratio. The initial taxation ratio in 2016 was 18.3:1. As a result of a combination of changes in the assessment base and budget reduction through the zero-based budgeting approach, the taxation ratio at first reading of the 2022 Tax Rate Bylaw is 7.30:1.

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

The 2022-2024 Fiscal Management Strategy includes budget information that was previously approved by Council that incorporates the strategies discussed in the attachment.

### **Rationale for Recommendation:**

The 2022-2024 Fiscal Management Strategy will provide a sustainable financial strategy to meet the short and mid-term needs of the Municipality, and it aligns with the 2018-2021 Strategic Plan.

### **Strategic Priorities:**

Responsible Government

### **Attachments:**

#### **1. 2022-2024 Fiscal Management Strategy**



# FISCAL MANAGEMENT STRATEGY 2022 – 2024



REGIONAL MUNICIPALITY  
OF **WOOD BUFFALO**



## Regional Municipality of Wood Buffalo

9909 Franklin Avenue

Fort McMurray | ᓂᓐᑕᓐᓴᓐᓴᓐ | Nistawâyâw | Ełıdli Kué  
Alberta T9H 2K4

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*We humbly acknowledge that the land on which we live, learn, work and play is Treaty 8 Territory, the traditional lands of the Cree, Dene, and the unceded territory of the Métis.*

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# Executive Summary

The Fiscal Management Strategy (FMS) is prepared annually and presented to Council for approval. The purpose of the FMS is to provide a high-level overview of the Regional Municipality of Wood Buffalo's (Municipality's) operating and capital needs and provide context for setting property tax rates, user fees and other Municipal service charges.

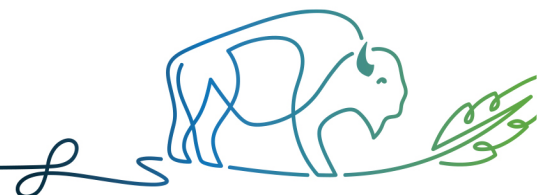
In January 2018, the Council of the Municipality approved the Strategic Plan that has guided the Municipality from 2018 – 2021. Embodied within the Strategic Plan is a key strategic priority titled Responsible Government. Fiscal Responsibility and Council adoption of a fiscal strategy are identified as a key initiative. The fiscal direction of the Municipality is still being governed by the 2018 – 2021 Strategic Plan. In response to the downturn in the economy and to ensure the sustainability of the Municipality, a zero – based budgeting approach was introduced at the beginning of 2017. This budgeting methodology is focused on understanding all costs for programs and services, with a continued emphasis on finding further savings and efficiencies. Through use of this budgeting strategy, property tax revenue has decreased by \$326 million since 2016. For the 2022 budget, this decrease continued with a \$4 million reduction in property tax revenues for a total decrease of \$330 million.

All revenue sources continue to be evaluated to ensure the Municipality is benefiting from all opportunities. A comprehensive user fee and charges analysis has been undertaken. The fees have been benchmarked against other communities in Alberta and are being adjusted to be more in line with the costs to deliver each service.

A financial reserve strategy incorporates several key variables that work towards future fiscal sustainability. This includes:

- **Asset Management (AM) Project:** As the Asset Management Project progresses, the Municipality will be in a better position to identify future funding requirements to maintain and/or rehabilitate assets. Current plans are premised on the age of infrastructure as opposed to condition; therefore, it is difficult to quantify resources required until further progress is made. This information will also directly impact the development of a financial reserve strategy.
- **Taxation Stabilization:** Determines the vulnerability of the assessment base in order to mitigate the impact on property tax revenue. Due to changes in the *Municipal Government Act* (MGA), S358(1) Maximum Tax Ratio, limitations will impact the Municipality's ability to raise sufficient tax revenue for unanticipated expenditures, therefore, there will be an increased focus on financial reserves to provide supplemental funding during these situations. Significant progress has been made to reduce the tax ratio. The initial tax ratio in 2016 was 18.3:1. Due a combination of changes in the assessment base and aggressive budget reductions, the tax ratio at first reading of the 2022 Tax Rate Bylaw is 6.88:1.

As per the strategic direction outlined in Council's 2018 – 2021 Strategic Plan, the Municipality is working diligently to ensure that there is future financial sustainability.



# Assumptions and Definitions

In order to prepare accurate capital and operating budgets and other financial plans for Council's review, consistent assumptions are established to ensure comparability.

Assumptions and constraints followed in constructing the report include:

- Taxation methodology will support the transition to a 5:1 tax rate ratio within a maximum 10-year period, ending in 2026.
- The Municipality will fund capital projects through grants, development funds, and capital reserve fund. Debt will not be used.
- The Municipality will continue to utilize a zero-based budgeting approach to find further efficiencies and savings.

The strategy is guided by:

- *Municipal Government Act, RSA 2000, M26*
- 2018 – 2021 Strategic Plan
- Fiscal Responsibility Policy FIN-160
- Approved 2022 Operating and Capital Budgets
- 2023 – 2027 Capital Plan
- 2023 – 2024 Operating Financial Plan

## Definitions

Actuals ..... Audited accounting numbers.

Department ..... Functional business unit comprising one or more specialized sections.

Projected ..... Estimated year-end balance.



# 2018 – 2021 Strategic Plan

In January 2018, the Council of the Regional Municipality of Wood Buffalo approved the Strategic Plan to guide the Municipality from 2018 – 2021. The Municipal Strategic Plan was developed as a collaborative effort between Council and Administration, providing long-term focus and direction for municipal programs and services.

The Strategic Plan focuses on **the vision of a vibrant, sustainable region we are proud to call home**. The plan includes four (4) key strategic priorities identified as critical areas, in order to achieve this goal:

- Responsible government
- Downtown Revitalization
- Regional economic development
- Rural and Indigenous communities and partnerships

This “road map to the future” outlines the steps the Municipality took from 2018 through to 2021. During the first year of the current Council, the 2018 – 2021 Strategic plan will continue to be the focus for Administration until a new Strategic Plan is developed by Council.

Through its stated mission of delivering excellence every day, the Council of the Municipality will continue to implement strategies and initiatives to meet the vision.





## 2022 Operating Budget and 2023 – 2024 Plan

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2023 Plan	2024 Plan
<b>Revenues</b>						
Property Taxes	\$ 656,824,994	\$ 490,126,467	\$ 467,368,726	\$ 464,503,800	\$ 460,503,800	\$ 456,503,800
Government Transfers	17,492,134	25,757,639	20,373,256	13,861,560	13,861,560	13,861,560
Sales and User Charges	46,222,441	39,669,915	45,126,531	47,367,999	49,589,999	51,854,999
Sales to Other Government	3,193,452	3,656,341	3,700,436	3,275,100	3,275,100	3,275,100
Penalties and Costs on Taxes	4,372,602	5,532,304	2,570,018	2,340,700	2,340,700	2,340,700
Licenses and Permits	2,018,676	1,705,709	2,406,319	1,641,000	1,641,000	1,641,000
Fines	2,587,383	1,939,891	2,976,732	2,870,000	2,870,000	2,870,000
Franchise and Concession Contracts	8,184,926	8,173,803	8,017,790	8,200,000	8,200,000	8,200,000
Returns on Investments	29,433,001	40,160,960	23,417,584	19,564,000	19,564,000	19,564,000
Rentals	1,618,512	1,595,280	2,070,550	1,459,200	1,459,200	1,459,200
Other Revenue	950,816	6,690,607	3,666,374	2,812,700	2,812,700	2,812,700
Transfers from Reserves for Operations	-	-	2,166,320	2,429,089	980,000	980,000
	\$ 772,898,937	\$ 625,008,916	\$ 583,860,636	\$ 570,325,148	\$ 567,098,059	\$ 565,363,059
<b>Expenses</b>						
Salaries Wages and Benefits	\$ 216,894,137	\$ 223,484,192	\$ 226,019,484	\$ 238,216,662	\$ 238,216,662	\$ 238,216,662
Contracted and General Services	67,574,258	63,719,539	72,590,900	89,784,671	91,580,364	93,411,971
Purchases from Other Governments	21,938,952	24,704,020	28,552,628	29,161,780	29,745,016	30,339,916
Materials Goods Supplies and Utilities	32,336,985	31,443,019	31,989,183	36,780,527	37,516,137	38,266,461
Provision for Allowances	4,830,830	5,159,281	4,806,063	4,763,200	4,763,200	4,763,200
Transfers to Local Boards and Agencies	449,514	28,149,048	2,723,433	4,642,835	4,642,835	4,642,835
Transfers to Individuals & Organizations	34,227,445	36,035,778	31,327,610	15,261,264	20,002,979	20,002,979
Transfers to Facilities	-	-	23,763,745	23,206,148	23,206,148	23,206,148
Bank Charges and Short-Term Interest	233,359	199,857	280,622	316,900	323,238	329,700
Interest on Long-Term Debt	11,840,000	-	-	-	-	-
Other Expenditures	24,597	114,895	9,608	24,600	25,092	25,594
Debenture Repayment	17,526,000	-	-	-	-	-
Transfers to Reserves for Operations	365,022,860	211,999,287	161,797,360	128,166,561	117,076,388	112,157,590
	\$ 772,898,937	\$ 625,008,916	\$ 583,860,636	\$ 570,325,148	\$ 567,098,059	\$ 565,363,059
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-

Figure 1: The above figure details the 2022 Operating Budget with the actual results for 2019 through 2021, as well as the 2023 and 2024 Plan Years.



## Consolidated Summary

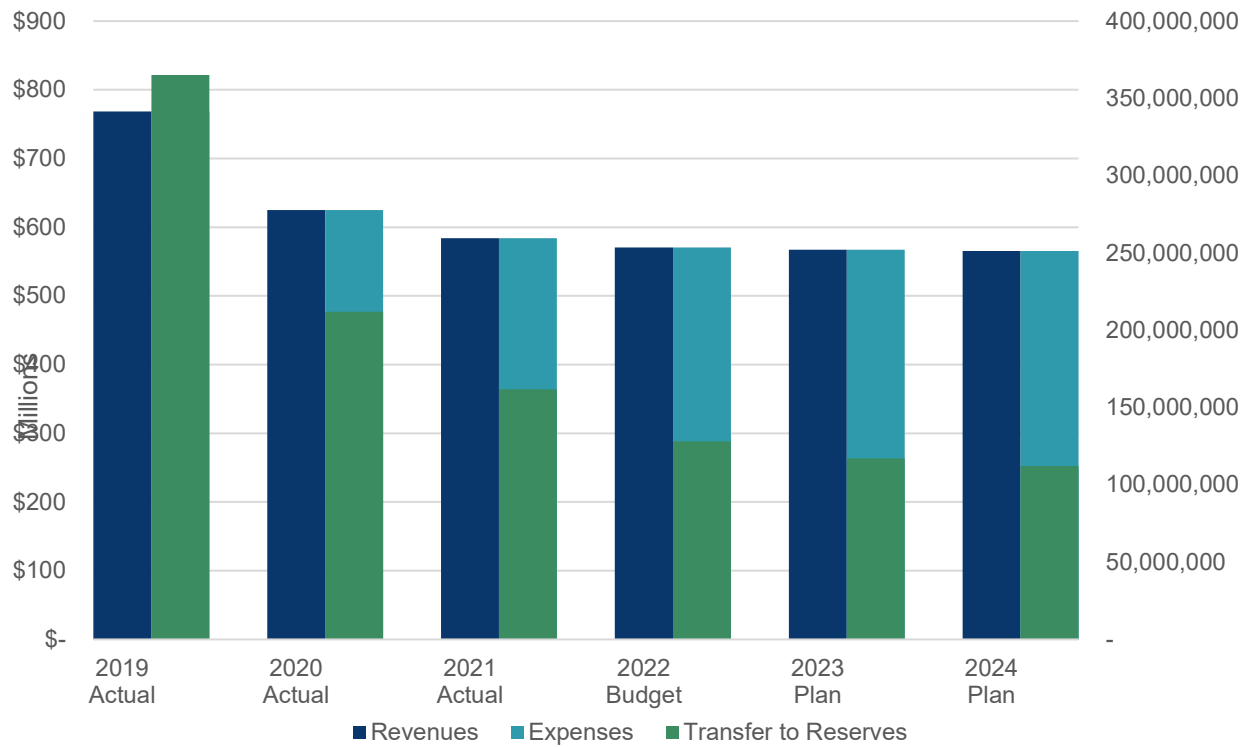


Figure 2: The above figure details the actual results, budget, and plan years from Figure 1: 2022 Operating Budget and 2023 – 2024 Plan.

As property taxes decrease and with the inflationary growth in expenses, the chart shows that the amount available to fund the Transfer to Reserves (for capital purposes) continues to decrease as we approach the 5:1 tax ratio.



# Revenue Strategy

The Municipality's revenue strategy is based on the programs and services provided to the community which are built upon the needs of the community. Part of this strategy is to continuously evaluate the individual revenue streams to assess continued viability and sustainment of these revenue sources.

Sales and user charges is one of the revenue sources that is analyzed each year. The charges for the different programs and services are reviewed and benchmarked against like communities and adjusted annually, where applicable, to be more in line with the cost to deliver the services provided. In 2022 the decision was made to maintain the fees, except for utilities, at the same level as the prior year due to reduced usage caused by the pandemic.

In 2017, Council passed a motion to have administration bring utility rates in line with the direct costs to provide the service, within a 5-year period. An analysis is undertaken each year and adjustments are made to the *Fees, Rates and Charges Bylaw No. 21/019* to capture any increases that are needed to meet the goal of direct cost recovery. The 2022 budget is showing an increase of approximately 5% to the rates, as direct cost recovery has yet to be met.

## Revenue Trend Analysis 2019 – 2024

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2023 Plan	2024 Plan
<b>Revenues</b>						
Property Taxes	\$ 656,824,994	\$ 490,126,467	\$ 467,368,726	\$ 464,503,800	\$ 460,503,800	\$ 456,503,800
Government Transfers	17,492,134	25,757,639	20,373,256	13,861,560	13,861,560	13,861,560
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Fines	2,587,383	1,939,891	2,976,732	2,870,000	2,870,000	2,870,000
Franchise and Concession Contracts	8,184,926	8,173,803	8,017,790	8,200,000	8,200,000	8,200,000
Returns on Investments	29,433,001	40,160,960	23,417,584	19,564,000	19,564,000	19,564,000
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Other Revenue	950,816	6,690,607	3,666,374	2,812,700	2,812,700	2,812,700
Transfers from Reserves for Operations			2,166,320	2,429,089	980,000	980,000
	\$ 772,898,937	\$ 625,008,916	\$ 583,860,636	\$ 570,325,148	\$ 567,098,059	\$ 565,363,059
Percentage Change	-3.41%	-19.13%	-6.58%	-2.32%	-0.57%	-0.31%

Figure 3: The above figure details the Revenue Trend Analysis of Municipal operations with the actual results for 2019 through 2021, the 2022 Budget, as well as the 2023 and 2024 Plan Years.

As Property Taxes continue to decrease, we continue to observe a downward trend in Revenues. The Plan Years show decreased Property Taxes revenue, but this annual decrease will significantly slow as we transition to the 5:1 ratio.



## Revenue Profile 2019 – 2024

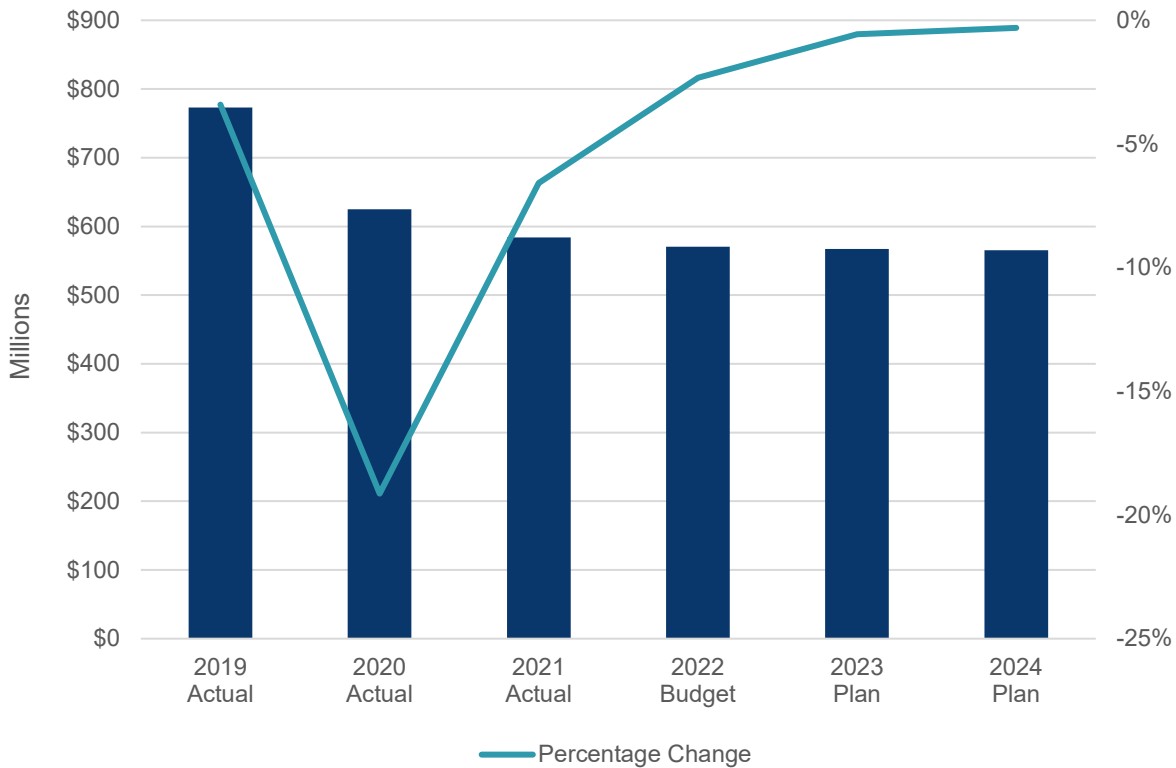


Figure 4: The above figure details the actual results, budget, and plan years from Figure 3: Revenue Trend Analysis 2019 – 2024.

The annual decrease in Property Tax revenues begin to slow down in the Plan Years 2023 and 2024 as we approach the transition to the 5:1 ratio.



# Property Tax

Property taxes represent the single largest source of revenue for the Municipality. The 2022 Approved Budget for property taxes is \$464,083,800 [this figure does not include Special Assessment and Local Improvement Taxes or Well Drilling Equipment Taxes], which represents 81% of the Municipality's revenue, which is comprised of:

- Rural Residential Class: 0.14%
- Rural Non-Residential: 92.64%
- Urban Residential Class: 4.23%
- Urban Other Class: 0.50%
- Urban Non-Residential Class: 2.49%

Property taxes are not a fee for service, but rather a method of distributing the cost of municipal services and programs fairly throughout the Municipality.

The *Municipal Government Act (MGA)* provides direction to Alberta municipalities for assessment and taxation through legislation. The purpose of the legislation is to establish and maintain a property assessment system that fairly and equitably distributes taxes, and promotes transparency, predictability and stability for municipalities and taxpayers. Assessment and taxation are distinct and independent processes, although assessment impacts taxation. Property assessment is the method used to distribute the tax burden amongst property owners.

Increases or decreases in municipal tax rates will not necessarily result in corresponding increases or decreases in municipal taxes paid. The reason for this is that increases or decreases in municipal taxes are equally dependent on the year over year assessment change of a property. Due to this formula, many property owners will see reductions in their municipal tax levies even if the tax rate in their tax class has increased.

The formula for calculating municipal taxes is as follows:

$$\text{Assessment} \times \text{Municipal Tax Rate} = \text{Municipal Tax Levy}$$

For years 2010 to 2021, the following occurred:

- Urban residential rates decreased by 20% from 2.663 in 2010 to 2.142 in 2021.
- Multi-residential rates increased by 6% from 5.743 in 2010 to 6.114 in 2021.
- Rural-residential rates decreased by 18% from 1.577 in 2010 to 1.291 in 2021.



- Urban non-residential rates decreased by 37% from 6.764 in 2010 to 4.281 in 2021.
- Rural non-residential rates decreased by 48% from 18.034 in 2010 to 9.423 in 2021.

For the 2022 Budget, revenue from property taxes has been reduced by 0.84% from 2021 to 2022. The assessment values within the region, on average, have been reduced by 2%; this reduction is indicative of the continued slowdown in the economy. In order to meet the budgeted revenue expectations tax, rates are increasing as per the below table.

## Mill Rate<sup>1</sup> vs. Tax Dollars 2021 – 2022

Property Class	Mill Rate			Tax Dollars		
	2021	2022	% Change	2021	2022	\$ Change
Rural Residential	1.2912	1.3816	7.00%	\$607,517	\$665,009	\$57,492
Rural Non Residential	9.4237	9.5114	0.93%	\$435,470,974	\$429,939,926	(\$5,531,048)
Urban Residential	2.1423	2.2923	7.00%	\$18,103,075	\$19,625,962	\$1,522,887
Urban Other Res (Apartments)	6.1144	6.2181	1.70%	\$2,311,018	\$2,311,038	\$20
Urban Non Residential	4.2816	4.4513	3.96%	\$11,541,615	\$11,541,865	\$250
Tax Ratio	7.30	6.88		\$468,034,199	\$464,083,800	(\$3,950,399)

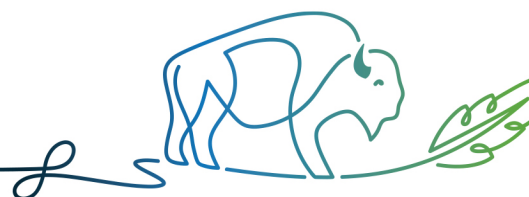
Figure 5: The above table shows the difference between the Mill Rate and the budget Tax Dollars from 2021 to 2022.

With the proposed 7% increase in tax rates of residential classes, the rural residential tax rate for years 2023 – 2026 will require a 9% increase year over year in order to reach the 5:1 tax ratio.

If the tax rate increase is less than 7% the following years, 2023 to 2026 will require a significantly higher tax rate increase to ensure the Municipality remains on track to reach the 5:1 tax ratio by 2026. For example, if the tax rate is increased by 4% then future Rural Residential tax rates will require a 10% increase every year from 2023 to 2026 to reach 5:1 tax ratio in 2026.

Keeping the tax rate at the same rate as 2021 will increase the tax ratio to 7.4:1, which is higher than the 2021 tax ratio of 7.3:1. This will put the Municipality offside of the current legislation MGA S.358.1(4). The property assessment for Designated Industrial Properties (DIP) are under the Provincial Assessor role, with the vision that centralization of DIP assessments will lead to improved consistency and equity for industrial taxpayers, and lower administrative costs for municipalities. Costs associated with these property assessments will be borne by industry. A Provincial requisition is applied to every DIP owner's municipal tax notice. Municipalities collect the DIP taxes to pay the requisitions. Currently there are 11 active assessment complaints affecting Designated Industrial Properties and linear properties, with a total assessment risk of \$6.8 billion from 2019 to 2021. Preparing and defending DIP assessments became the responsibility of the Province of Alberta (Assessment Services Branch of Municipal Affairs) beginning on January 1, 2018. The outcome of these hearings is unknown at this point.

<sup>1</sup> Government of Alberta Regional Dashboard information about municipal mill rates and comparative data can be found here: <https://regionaldashboard.alberta.ca/#/explore-an-indicator?i=municipal-mill-rate&d=CalculatedValue>





Designated Industrial Properties include:

- Properties regulated by the Alberta Energy Regulator, National Energy Board, and Alberta Utilities Commission.
- Linear Property (wells, pipeline, railways, telecommunications, and electric power systems) assessed by the Province.
- Property designated as a “major plant” by regulation; for example large refineries, upgraders, or pulp and paper mills.
- Land and improvements associated with property regulated by the Alberta Energy Regulator, Alberta Utilities Commission or National Energy Board and major plants.
- Machinery and equipment on a site not classified as a DIP will continue to be assessed by the Regional Assessor.

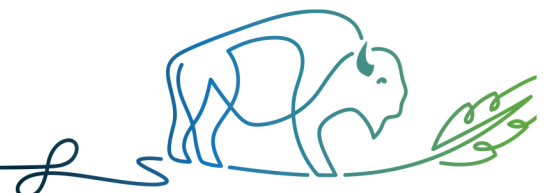
In addition, based on *Alberta Regulation 202/2017 Matters Relating to Assessment Sub-Classes*, municipalities can create a sub-class for either the urban or rural service areas entitled “small business sub-class”. In 2018, the Council of the Municipality approved the creation of a rural non-residential small business sub-class. The tax rate of this sub-class was 25% lower than the rural non-residential tax rate. The criteria of this sub-class required that the business:

- must apply online and meet all criteria to be taxed at the rural non-residential small business tax rate; and
- must be operating under a business license or that is otherwise identified in a municipal bylaw; and
- have fewer than 50 employees across Canada; and
- must hold an RMWB business license as of December 31 of the preceding year.

The inclusion of a small business tax rate within the 2022 Tax Rate Bylaw will be subject to Council approval.

The calculation of the taxes levied is a combination of assessed value and tax rate. Property assessments in which construction had occurred in 2021 were excluded from the median calculation as the calculation was intended to capture market changes in the assessed values. Tax rates for 2022, based on first reading of the 2022 Property Tax Rate Bylaw, propose the following changes when compared to 2021 as follows:

- **Urban Residential** tax rate **increase of 7%**. The median assessment increase of 1%. The median municipal tax change in the urban residential tax class is an **increase of \$86** (if no improvements were completed to the home in 2021) due to a combination of the change in assessment over 2021 and the change in the urban residential tax rate.



- **Other Residential** tax rate **increase of 1.7%**. This increase in tax rate, is less than the median assessment decrease of 2%. The median municipal tax change in the other residential tax class is a **reduction of \$107** (if no improvements were completed to the home in 2021) due to a combination of the change in assessment over 2021 and the change in the other residential tax rate.
- **Rural Residential** tax rate **increase of 7%**. The median municipal tax change in the rural residential tax class is an **increase of \$35** (if no improvements were completed to the home in 2021) due to a combination of the change in assessment over 2021 and a change in the rural residential tax rate.
- **Urban Non-Residential** tax rate **increase of 3.96%**. The urban non-residential assessment class experienced an overall decrease due to factors such as sales, vacancy, availability, rents, and land value, and as such, individual properties may experience differing increases or decreases in taxes. Therefore, a median tax change was not calculated.
- **Rural Non-Residential** tax rate **decrease of 0.93%**. The rural non-residential assessment class experienced an overall decrease of 2% from 2021 to 2022. Due to the wide variance in assessed values in this tax class a median tax change was not calculated.

## 5:1 Tax Ratio

Prior to changes in the *MGA*, municipalities were able to establish non-residential and residential tax rates independent of one another. There was no limitation on the extent to which a municipality's tax rate could differ for the taxation of non-residential and residential property. The *MGA* has since been amended to ensure that the highest non-residential tax rate can be no more than five times the lowest residential tax rate. In addition, the tax rate ratio cannot increase from the previous year.

Since 2016, the *MGA* s.358(1), defines a "non-conforming municipality" as a municipality that has a tax ratio greater than 5:1. The Regional Municipality of Wood Buffalo tax ratio calculation is based on the rural non-residential tax rate and the rural residential tax rate.

To achieve a 5:1 ratio, the rural residential tax rate would increase from 0.0012912 in 2021 to 0.0013816 in 2022. This **tax rate will still be the lowest in Alberta**, and less than the 2006 rural residential tax rate as shown in the graph on the following page. Based on first reading of the 2022 Property Tax Rate Bylaw, the tax ratio decreased from 7.30 in 2021 to 6.88 proposed for 2022.



## Tax Rate Model 2006 - 2022

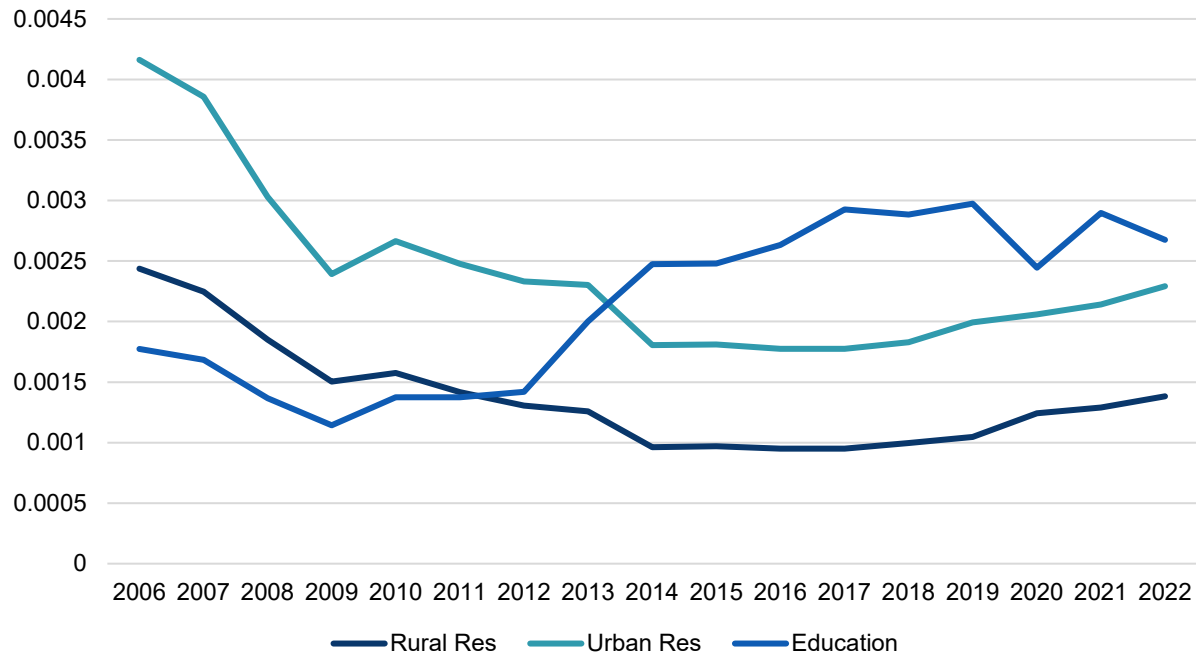


Figure 6: Tax Rate Model 2006 – 2022

## Impact of Rural Residential Tax Rate Increases 2021 – 2026

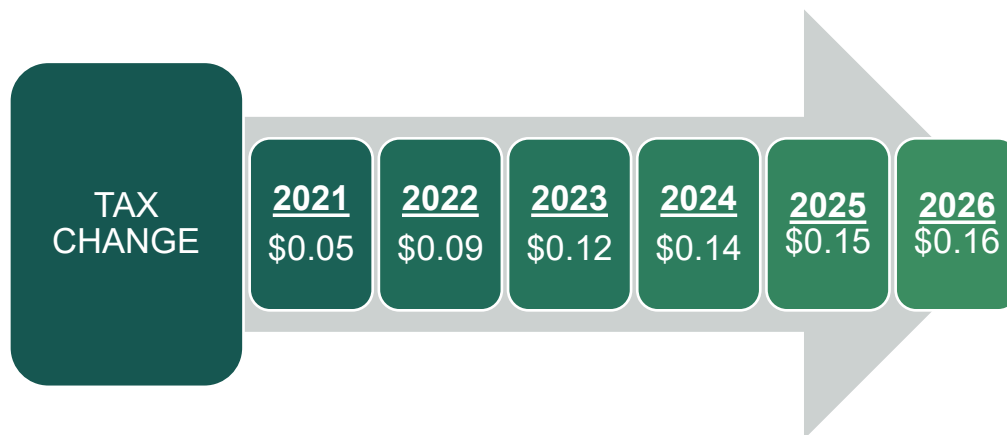


Figure 7: The above table shows the Impact of tax rate increases from 2021 to 2026. Tax increases per \$1,000 of assessments, assuming there is no increase or decrease on the assessment.



## Municipal Residential Property Tax Rates 2010 - 2022

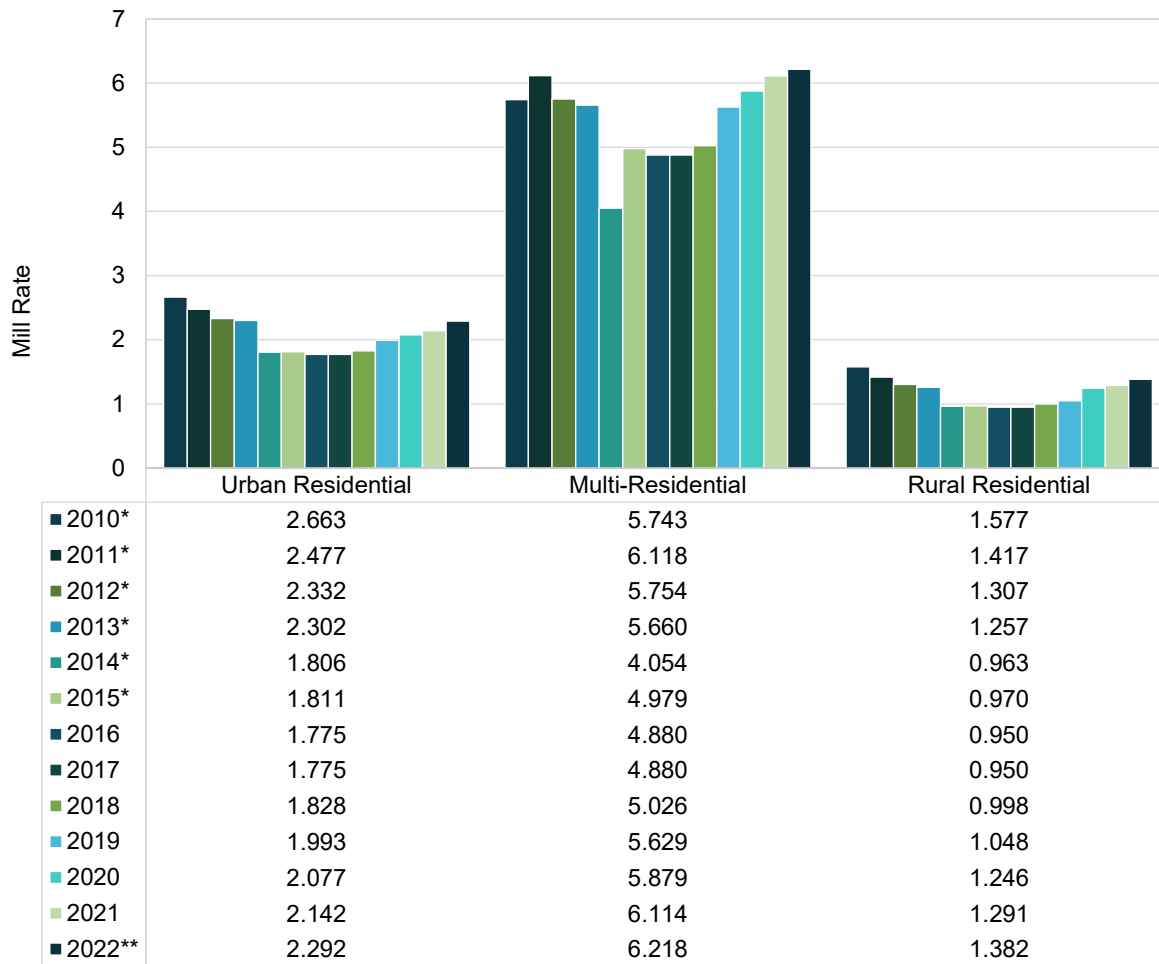


Figure 8: Municipal Residential Property Tax Rates

\* Revenue neutral plus new construction methodology was in place from 2010 to 2015 inclusive.

\*\* Rates are based on information available at the time of publication and are subject to change until the Property Tax Bylaw has been approved by Council. Mill rates are levied per \$1,000 of assessed value.



## Municipal Non-Residential Property Tax Rates 2010 - 2022

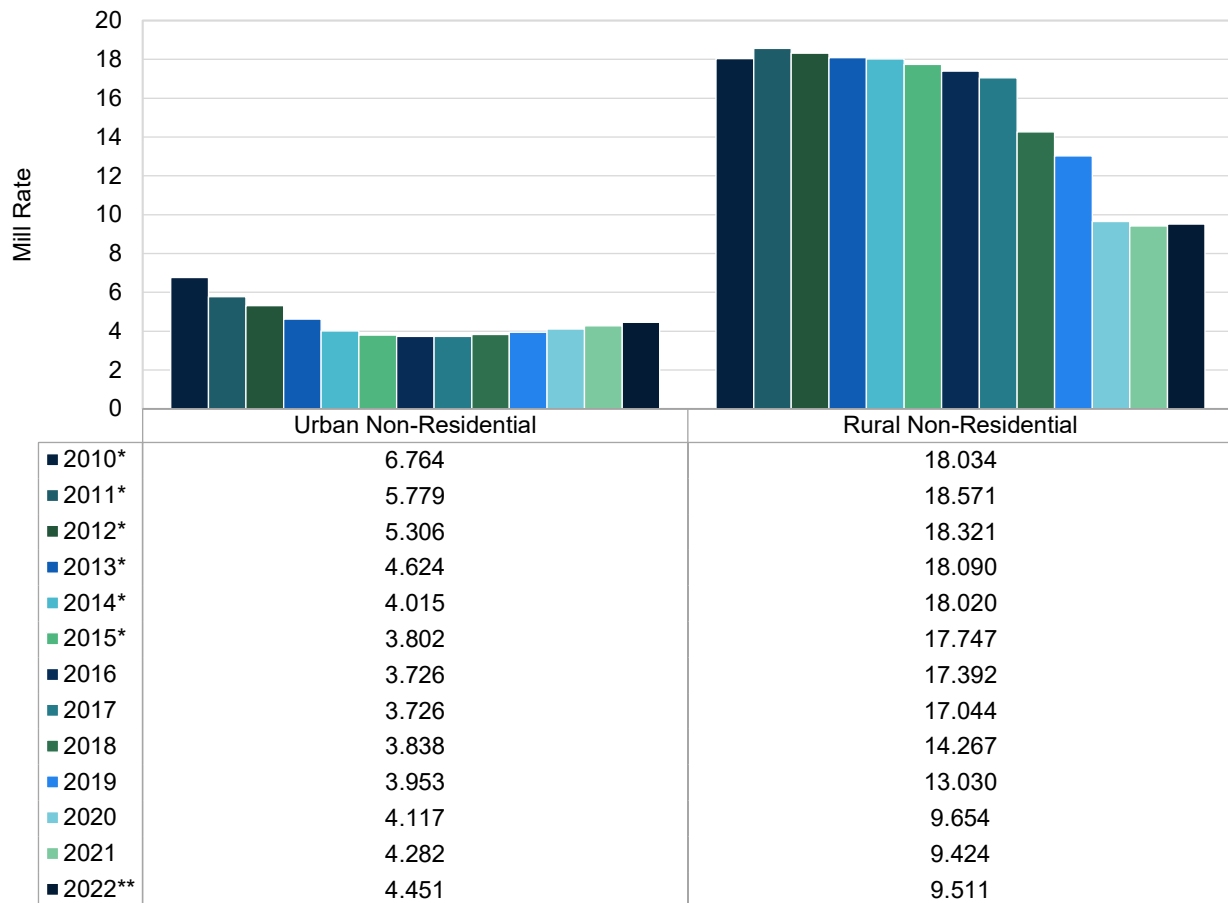


Figure 9: Municipal Non-Residential Property Tax Rates

\* Revenue neutral plus new construction methodology was in place from 2010 to 2015 inclusive.

\*\* Rates are based on information available at the time of publication and are subject to change until the Property Tax Bylaw has been approved by Council.

Mill rates are levied per \$1,000 of assessed value.

Prior to 2016, the Municipality followed a revenue-neutral plus new construction growth taxation methodology whereby any increase in municipal revenue over the prior year was generated by new growth only. The 2016 changing economic climate in the region, coupled with the wildfire, resulted in a move away from the revenue-neutral plus new construction methodology to a budget driven process not dependent on assessment growth.

Although every municipality is unique, the Regional Municipality of Wood Buffalo benchmarks with other municipalities. Based on the information below, the Municipality continues to have competitive tax rates that supports affordability.



## Tax Rate Benchmark - Residential

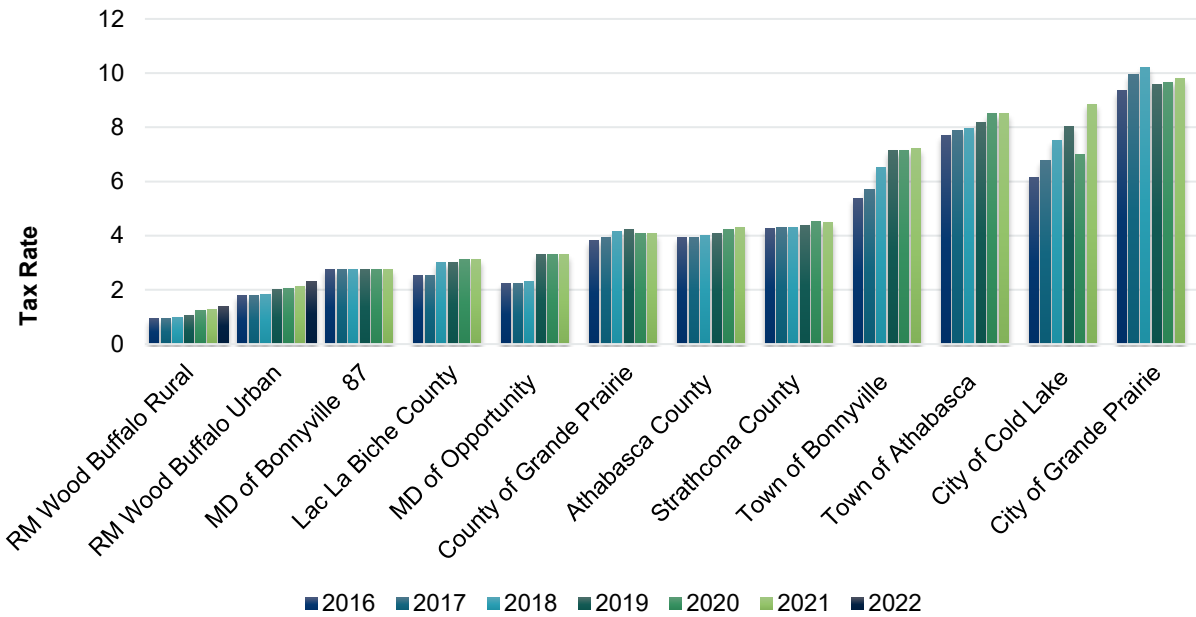


Figure 10: Tax Rate Benchmark – Residential

## Tax Rate Benchmark - Non-Residential

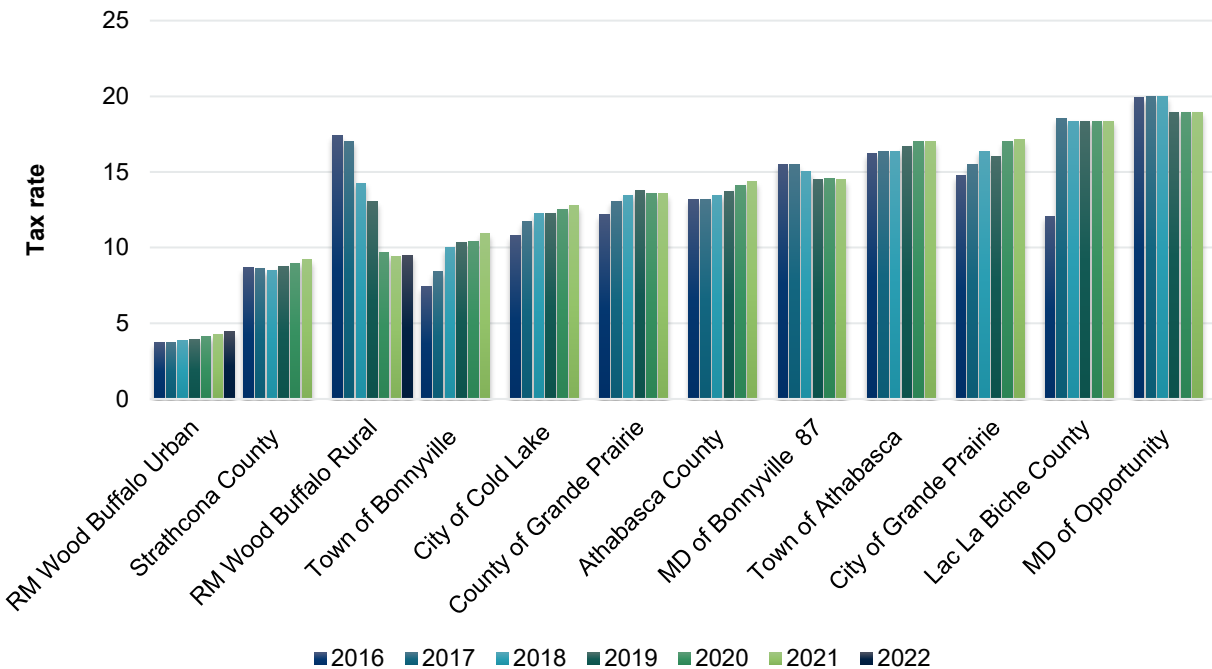


Figure 11: Tax Rate Benchmark – Non-Residential





## Education Tax

The Province calculates, based on assessment value, the annual amount each municipality must collect towards the education system. Municipalities collect the education property tax from ratepayers and then forwards it to the Province for deposit into the Alberta School Foundation Fund (ASFF). The ASFF was established by the Government of Alberta in 1994. This fund ensures that the education property tax is accounted for separately from provincial general revenues.

The money collected from the education property tax is pooled into the ASFF to fund priorities in education and then distributed among Alberta's public and separate school boards on an equal per student basis.

Although **municipalities do not control the amount of education taxes requisitioned by the Province**, the amount increases the total property tax bill for applicable municipal property owners. For 2022, Education tax rate for residential class decreased by 7% and increased by 6% for non-residential class. For **urban residential** property owners, this represented **54%** of their property tax bill in 2022 and **66%** for **rural residential** property owners.

Residents are encouraged to contact the Government of Alberta Education Property Tax Line directly if they require any clarification.

## Senior Housing Requisitions

In 2002, Wood Buffalo Housing and Development Corporation (WBHDC) assumed responsibility from the Government of Alberta for all subsidized independent and supportive living seniors' housing. Ownership of Rotary House Lodge and Ayabaskaw Lodge, which provides a supportive living environment to qualifying seniors, was transferred to WBHDC. For 2022, the Ayabaskaw House has issued a requisition to the Municipality in the amount \$51,000; and the Rotary House has issued a requisition to the Municipality in the amount \$1,916,000.

## Upcoming Changes

Alberta Municipal Affairs is conducting a review of regulated assessment models. The current assessment models have not been updated since 2005. Preliminary indicators are that the review will result a reduction on assessment of linear properties such as Machinery and Equipment, Wells, and Pipelines. More information will be provided in 2025 by Municipal Affairs.



# Expense Strategy

The annual expense budget strategy continues to utilize the zero-based budgeting philosophy; all expense categories are itemized and analyzed for continued cost efficiencies. This analysis is conducted throughout the year with monthly, quarterly, and annual financial reports prepared to assist management understand their fiscal position. To remain within the revenue generation capacity, any increase to expenses are offset by a lower amount transferred to reserves.

Salaries, Wages and Benefits account for approximately 54% of the Municipality's Operating Budget. There are labour agreements in place with the Canadian Union of Public Employees for the period January 1, 2018 – December 31, 2020, and with the International Association of Fire Fighters for the period January 1, 2014 – December 31, 2016, both of which are in contract negotiations this year. In 2021, management instituted a process whereby there would be no full-time equivalent increases unless there was a need to due to legislated requirements. With this process in place, the budget for 2022 is showing no increase in salaries and wages for the year.

In 2022, there were several large budget items that needed to be added to the overall budget to continue to provide services to the public – rural policing, backflow valve program, downtown improvements and increased police labour costs. In addition, there is a slight increase due to supply issues. All of these cost increases are being offset by a reduced amount being transferred to reserves for capital and life-cycle purposes.

## Expense Trend Analysis 2019 – 2024

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2023 Plan	2024 Plan
<b>Expenses</b>						
Salaries Wages and Benefits	\$ 216,894,137	\$ 223,484,192	\$ 226,019,484	\$ 238,216,662	\$ 238,216,662	\$ 238,216,662
Contracted and General Services	67,574,258	63,719,539	72,590,900	89,784,671	91,580,364	93,411,972
Purchases from Other Governments	21,938,952	24,704,020	28,552,628	29,161,780	29,745,016	30,339,916
Materials Goods Supplies and Utilities	32,336,985	31,443,019	31,989,183	36,780,527	37,516,137	38,266,460
Provision for Allowances	4,830,830	5,159,281	4,806,063	4,763,200	4,763,200	4,763,200
Transfers to Local Boards and Agencies	449,514	28,149,048	2,723,433	4,642,835	4,642,835	4,642,835
Transfers to Individuals & Organizations	34,227,445	36,035,778	31,327,610	15,261,264	20,002,979	20,002,979
Transfers to Facilities	-	-	23,763,745	23,206,148	23,206,148	23,206,148
Bank Charges and Short-Term Interest	233,359	199,857	280,622	316,900	323,238	329,703
Interest on Long-Term Debt	11,840,000	-	-	-	-	-
Other Expenditures	24,597	114,895	9,608	24,600	25,092	25,594
Debenture Repayment	17,526,000	-	-	-	-	-
	\$ 407,876,077	\$ 413,009,629	\$ 422,063,276	\$ 442,158,587	\$ 450,021,671	\$ 453,205,469
Percentage Change	7.52%	1.26%	2.19%	4.76%	1.78%	0.71%

Figure 12: The above figure details the Expense Trend Analysis of the Municipal Operations with the actual results for 2019 through 2021, the 2022 Budget, as well as the 2023 and 2024 Plan Years.



## Expense Profile 2019 – 2024

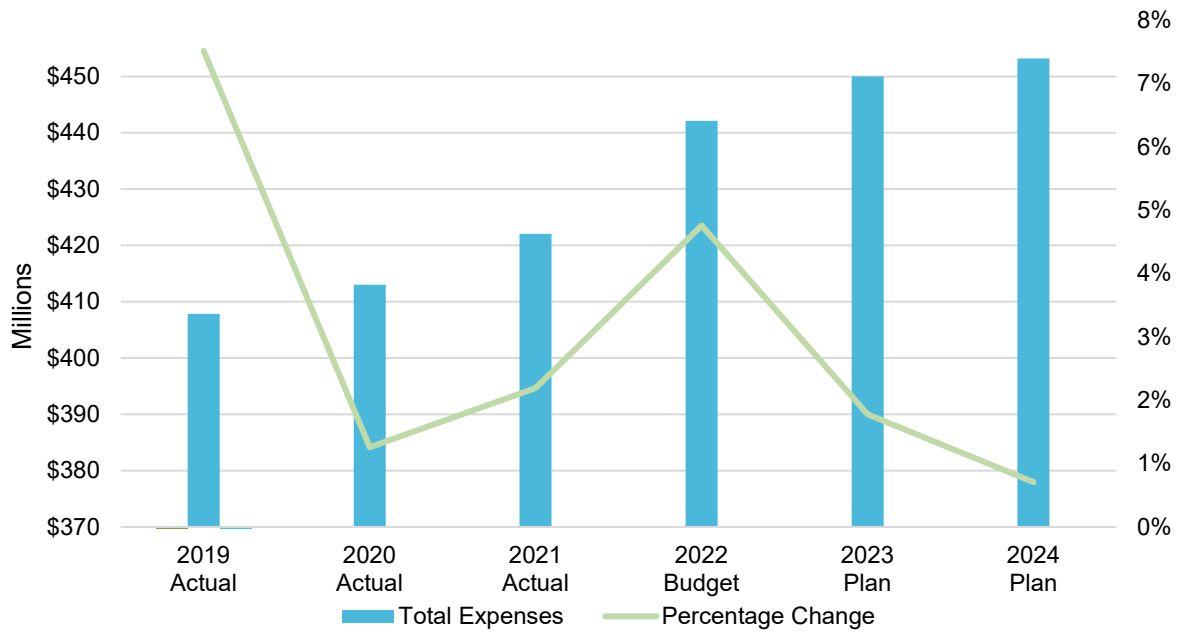


Figure 13: The above figure details the actual results, budget, and plan years from Figure 12: Expense Trend Analysis 2019 – 2024.



# Capital Strategy

The 2022 Capital Budget and the 2023 – 2024 Plans have been developed with a focus on sustaining our region. The main determinant in developing the Capital Budget was the continuation of completing multi-year projects, with particular emphasis on flood mitigation and the building of a delivery system for Rural Water and Sewer Servicing. Secondary to the development of the Capital Budget is the continued lifecycle spend on public facilities, playgrounds, parks, and roads.

The major groupings or categories for the Capital Budget and plans are:

- **Public Facilities:** These projects include environmental systems such as solid waste, waste, wastewater and storm water. Also included in this category are public land, land improvements, and machinery and equipment.
- **Recreation and Culture:** These projects have two broad categories: parks/recreation and cultural/historical. Park and recreation projects include trails, playgrounds, parks, sports fields, rinks and green spaces. Cultural and historical projects include museums, cemeteries, and other cultural facilities.
- **Transportation:** These projects include Municipal transit systems, roadways including traffic signals and streetlights, and sidewalks.

## 2022 Capital Budget Spend by Category

	2022 Capital Budget	2022 Category %	2023 - 2027 Capital Plan
Public Facilities	\$ 108,559,250	70%	\$ 448,660,000
Recreation & Culture	\$ 12,625,000	8%	\$ 22,830,000
Transportation	\$ 34,863,750	22%	\$ 125,650,000
<b>Total</b>	<b>\$ 156,048,000</b>	<b>100%</b>	<b>\$ 597,140,000</b>

Figure 14: The above table details the 2022 Capital Budget and the capital spending by the primary categories of Public Facilities, Transportation and Recreation & Culture.

The approved 2022 Capital Budget is \$156,048,000 including \$249,000 to be funded from the Capital Infrastructure Reserve (CIR) for public art installation.

The Capital Budget is funded through the CIR, Provincial and Federal Grants, Developer fees and Levies; the CIR is comprised of property tax revenues.



# Fiscal Reserve Strategy

To ensure future fiscal sustainability, the Municipality has developed a reserve strategy. In compliance with the Fiscal Responsibility Policy FIN-160, the Municipality holds two (2) main reserves: Emerging Issues Reserve (EIR) and the Capital Infrastructure Reserve (CIR). Council approval is required to utilize funding from either of these reserves.

## Capital Infrastructure Reserve (CIR)

The CIR has been established to provide a source for capital project funding with a minimum uncommitted balance of \$50 million. This reserve is the main funding source for budgeted capital program requirements. The CIR is funded by taxpayers and is used for current approved capital projects, life cycling and for future large scale infrastructure projects such as the replacement of essential services infrastructure.

## Emerging Issues Reserve (EIR)

The EIR was established by Council in 2002 to stabilize operating revenues in response to unanticipated loss of revenue as well as provide funding flexibility in responding to unplanned events and other initiatives. The EIR is funded from the year end operating surplus (if any).

The EIR is governed as follows:

- Maximum EIR balance equivalent to 15% of the audited prior year's net property tax revenue and is subject to a minimum uncommitted balance of \$50 million.
- Council approval is required to utilize funding from the EIR.

## General Reserve

The Municipality has an established reserve to meet future operations and capital expenses.

The reserve is in place to hedge against future risk factors including:

- Revenue shortfalls
- Unanticipated expenses





# Investment Strategy

The Municipality's investment of funds is governed under Investment Policy FIN-140 as approved by Council. The general investment strategies adopted by the Municipality are to ensure the following objectives are adhered to:

- **Safety:** Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
- **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating and capital cash requirements that may be reasonably anticipated.
- **Return:** The investments of the fund shall be structured with the objective of attaining a market rate of return commensurate with the respective portfolio benchmark.

The investment type is restricted to fixed income securities that are of high credit rating quality and meet the following parameters:

- Maximum holdings by credit rating: maximum holdings of short, medium and long-term investment portfolio by credit rating are 100% AAA, AA, or A rating.
- Maximum holdings by investment portfolio issuer: 100% for federal issues and guarantees.

100% for provincial issues and guarantees; 40% for municipal guarantees; and 40% for corporate issues.

The Municipality's investment governance structure is designed to ensure that the Municipality's investments are managed prudently, appropriately and in compliance with applicable legislation and the investment policy. Funds are managed by independent fund managers. Council approves the investment policy, and the Investment Advisory Committee (IAC) provides oversight to the governance and management of the Municipality's investment. IAC is comprised of members of Administration.



## Investment Holdings by Type

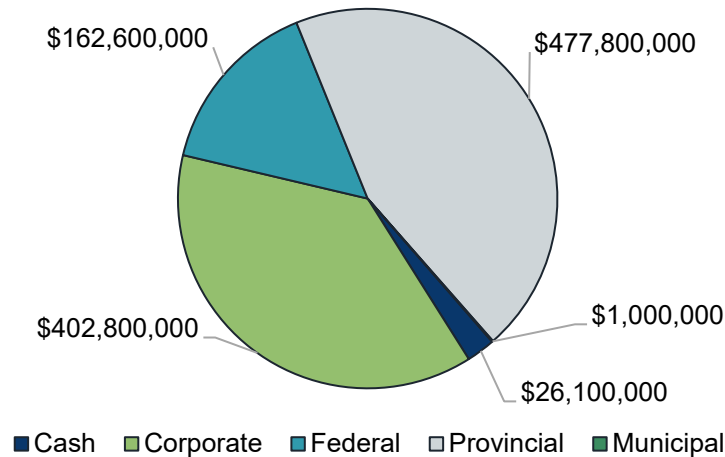


Figure 15: The above figure details the Investment Holdings, by Type. As per municipal policy, all investments are in the form of bonds (Government and Corporate) including GICs, as at December 31, 2021.

## Maturity of Investments – Liquidity

The investment portfolio is structured to maintain a proportionate ratio of short (under 1 year), medium (1 to 5 years), and long-term (over 5 years) maturities to meet current and future funding requirements.

A structured series of short-term Guaranteed Investment Certificates (GICs) maturing on a regular basis throughout the fiscal year is part of the short-term liquidity strategy. This enables sufficient liquidity within the investment portfolio to meet the Municipality's operating and capital cash flow requirements.



## Percentage of Investment Holdings

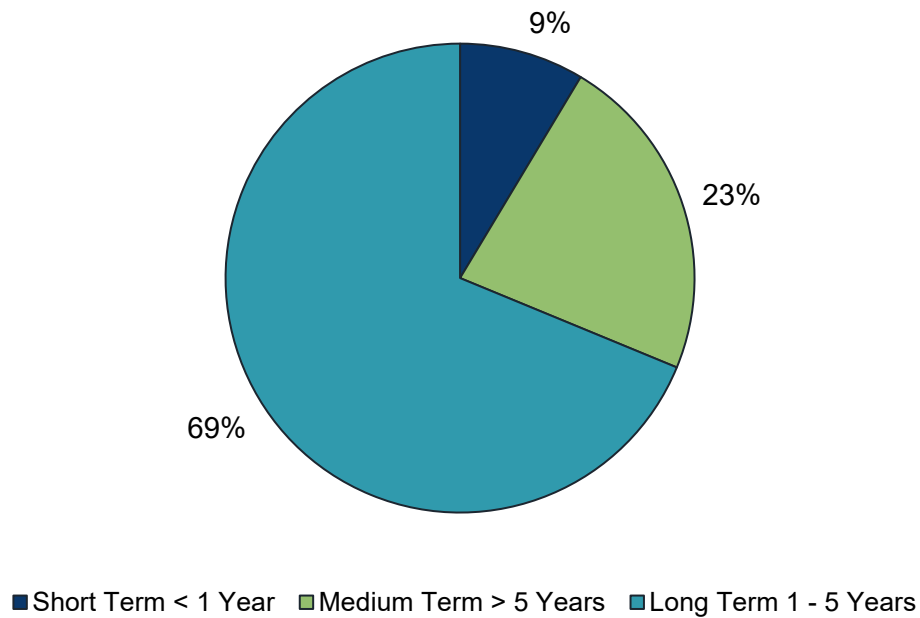


Figure 16: The above figure details the Investment Holdings, by Liquidity. The municipality will continue to ensure that the duration of the investment portfolio is structured such that the funds are available as required, as at December 31, 2021.



# Financial Condition Indicators Strategy

## Sustainability

Sustainability refers to the Municipality's ability to maintain existing services and programs and meet creditor requirements without the need to take on debt.

The Municipality uses two (2) financial condition indicators to measure its sustainability: Current Assets to Current Liabilities and Financial Assets to Financial Liabilities.

**Financial Ratio:** The Financial Assets to Financial Liabilities ratio measures whether the Municipality has adequate resources to pay its longer-term obligations or those due beyond one year. A ratio above 2.00 is desirable. To ensure that the Municipality does not fall below this target, prioritization of existing and future capital projects is required as the Municipality transitions to Pay-As-You-Go capital funding strategy.

**Current Ratio:** The Current Assets to Current Liabilities ratio measures whether the Municipality has adequate resources to pay its short-term obligations or those due within one year. A ratio above 1.00 is desirable and indicates the Municipality's ability to cover its short-term obligations.

### Ratio of Financial Assets to Liabilities 2019 – 2024

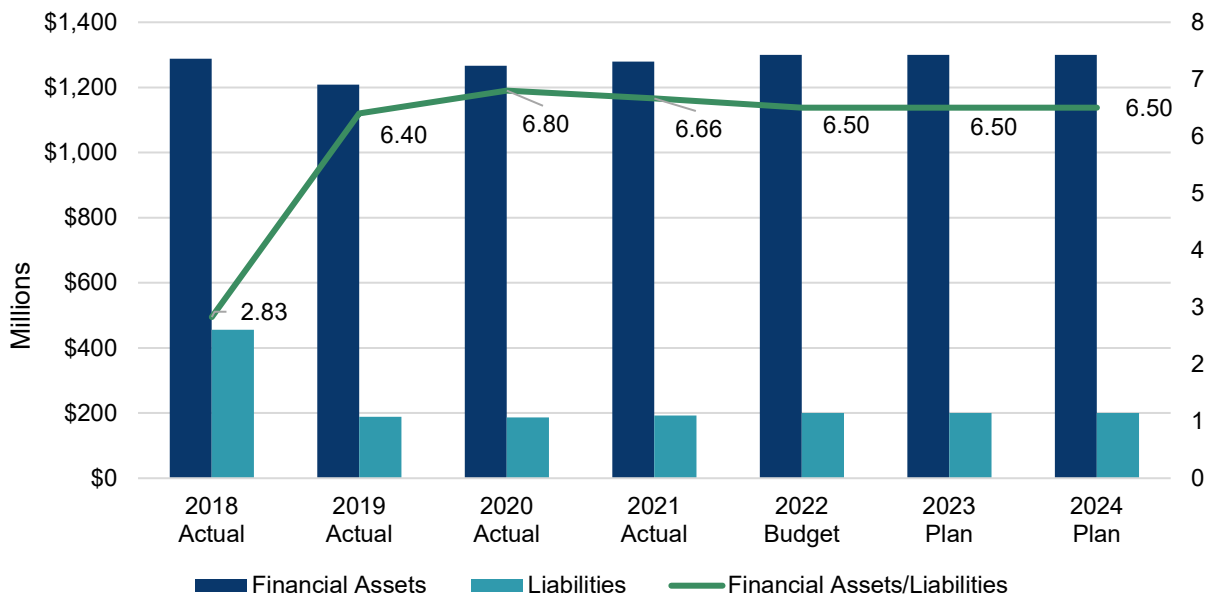


Figure 17: The above figure details the balance of the Municipality's Financial assets and the liabilities. It is important that the assets are higher than the liabilities for the future resiliency of the Municipality. The Municipality maintains a strong ratio of assets to liabilities of 6.5:1.



## Current Assets Ratio

To measure the current asset ratio of the Municipality's portfolio, two indicators are used: operating government transfers to operating revenues and total government transfers to total revenues. The operating government transfers to operating revenues ratio measures how much the Municipality is dependent on provincial and federal transfers relative to the operating revenue generated, and the total government transfers-to-total revenues ratio measures the level of provincial and federal grants to support both operating and capital programs at the Municipality.

### Current Assets Ratio 2019 – 2024

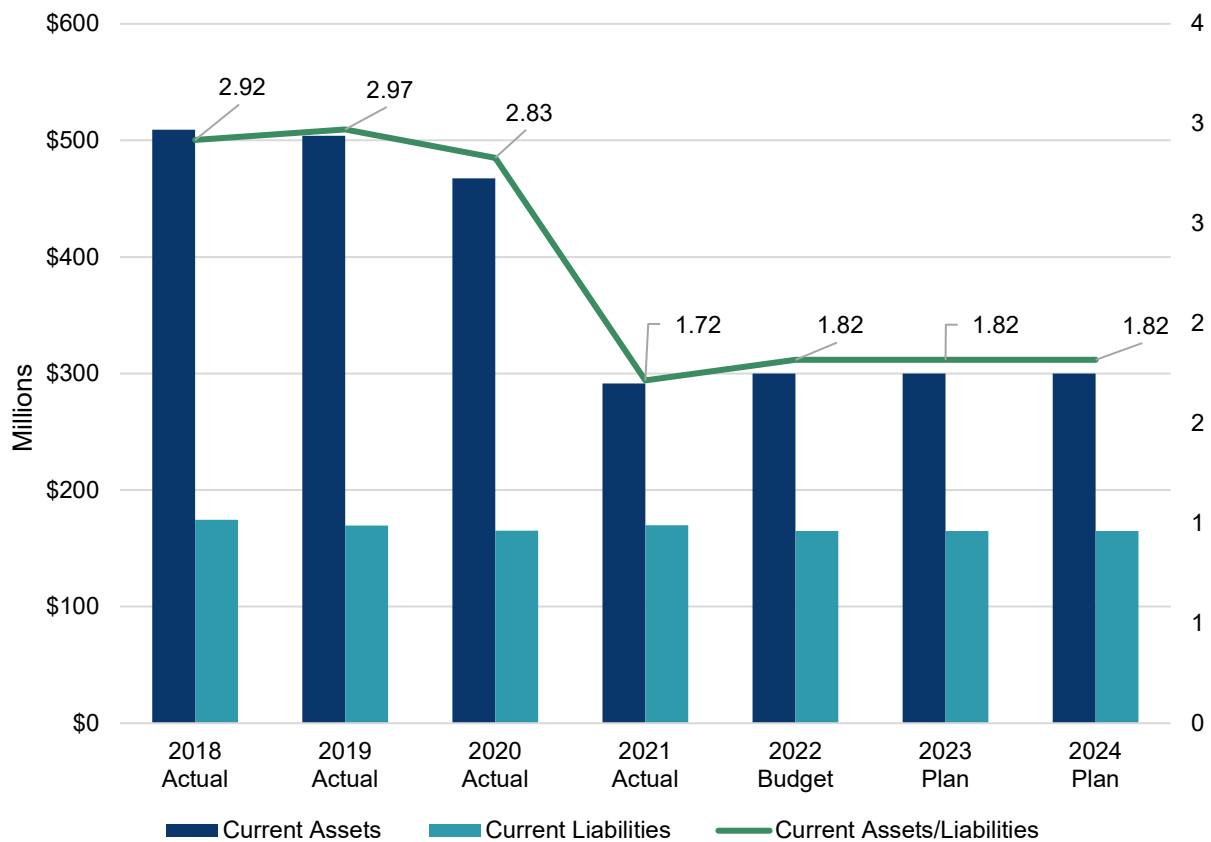
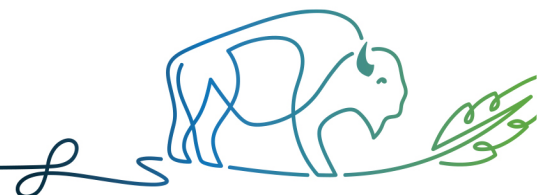


Figure 18: The above figure details the balance of the Municipality's Current assets and the liabilities. It is important that the assets are higher than the liabilities for the future resiliency of the Municipality. The Municipality maintains a strong ratio of assets to liabilities of 1.8:1.









## COUNCIL REPORT

Meeting Date: April 12, 2022

**Subject: 2021 Audited Consolidated Financial Statement**

**APPROVALS:**

**Jamie Doyle**

\_\_\_\_\_  
Director

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

**Recommended Motion:**

THAT the 2021 Audited Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ending December 31, 2021, 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 Library Board, the Wood Buffalo Housing and Development Corporation, the Wood Buffalo Economic Development Corporation and the Wood Buffalo Arctic Winter Games Host Society have been fully consolidated within the Regional Municipality of Wood Buffalo Financial Statements.

The Municipality's 2021 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.

**Budget/Financial Implications:**

The Consolidated Statement of Financial Position, or Balance Sheet, shows Cash and Cash Equivalents were moved to Investments and used to repay long-term debt. The increase in Trade and other receivables were the result of \$9.9 million received for the Ptarmigan Court Buyouts, \$7.5 million for submitted Disaster Recovery Program (DRP) claims and \$4 million for the Alberta Municipal Water Wastewater Partnership (AMWWP) Grant.

Operating revenues to December 31, 2021, are \$619 million, a 10.8% or \$75 million decrease from the prior year. Net Property tax revenue decreased by \$22 million, and Government Transfers for Operating were lower in 2021 by \$32 million. This decrease was the result of fewer DRP, and Municipal Operating Support Transfer (MOST) claims received in 2021. Return on Investments also decreased by \$18 million due to fewer gains on the sales of bond investments.

The expenses to December 31, 2021, are \$640 million, a 0.1% or \$6 million decrease from the prior year. The majority of this decrease were the result of the 2020 Flood at \$27 million and the 2016 Wildfire at \$3 million. Offsetting this decrease were costs related to the temporary flood mitigation of \$6 million, the grant for the Métis Cultural Association of \$13 million, and a \$4 million increase in RCMP costs. Continued ongoing internal reviews for savings opportunities were found in many of the expense categories including Contracted and General Services and Materials, Goods, Supplies and Utilities.

The 2021 year ended with a transfer of \$900,000 to the Emerging Issues Reserve as per Fiscal Responsibility Policy FIN-160 and committed to the Property Tax Appeals.

### **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 immediately preceding year.

### **Strategic Priorities:**

Responsible Government

### **Attachments:**

- 1. Regional Municipality of Wood Buffalo 2021 Consolidated Financial Statement**
  - 2. Wood Buffalo Arctic Winter Games Host Society 2021 Financial Statement**
  - 3. Regional Recreation Corporation of Wood Buffalo 2021 Financial Statement**
  - 4. Regional Municipality of Wood Buffalo Library Board 2021 Financial Statement**
  - 5. Wood Buffalo Economic Development Corporation 2021 Financial Statement**
  - 6. Wood Buffalo Housing & Development Corporation 2021 Financial Statement**
  - 7. 2021 Year End Auditor's Communication Package**
- 2021 RMWB Consolidated Financial Statements Presentation**

Consolidated Financial Statements of

# **REGIONAL MUNICIPALITY OF WOOD BUFFALO**

Year ended December 31, 2021

**Consolidated Financial Statements of**

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

**Year ended December 31, 2021**

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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  
Chief Financial Officer

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Jamie Doyle, RPP, MCIP  
Chief Administrative Officer

April 12, 2022

**Independent Auditor's Report inserted here** (page 1 of 2)

**Independent Auditor's Report inserted here** (page 2 of 2)

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

December 31, 2021

	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents	\$ 144,179,471	\$ 284,805,537
Restricted cash (Note 2)	16,227,783	16,158,561
Taxes and grants in lieu receivable (Note 3)	9,794,273	11,554,241
Trade and other receivables (Note 4)	56,653,025	35,524,657
Inventories held for resale	178,849	188,273
Investments (Note 5)	1,111,627,468	1,000,169,036
Mortgages and notes receivable (Note 6)	4,243,015	4,305,678
	<u>1,342,903,884</u>	<u>1,352,705,983</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	80,118,136	79,057,232
Deposit liabilities	10,001,752	10,350,843
Deferred revenue (Note 7)	75,344,250	70,056,343
Employee benefit obligations (Note 8)	19,274,475	21,076,879
Contaminated sites liability (Note 9)	2,131,609	2,113,127
Provision for landfill closure and post-closure obligation (Note 10)	20,097,468	18,854,294
Long-term debt (Note 11)	57,829,778	72,529,244
	<u>264,797,468</u>	<u>274,037,962</u>
<b>Net financial assets</b>	<u>1,078,106,416</u>	<u>1,078,668,021</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	4,349,160,448	4,303,681,795
Consumable inventories	4,956,326	5,602,666
Prepaid expenses	3,702,496	4,911,195
	<u>4,357,819,270</u>	<u>4,314,195,656</u>
<b>Accumulated surplus (Note 14)</b>	<u>\$ 5,435,925,686</u>	<u>\$ 5,392,863,677</u>

Contractual rights (Note 18)

Commitments and contingent liabilities (Note 19)

See accompanying notes to consolidated financial statements.

**Approved by:**

\_\_\_\_\_  
Chief Financial Officer

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

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

For the Year Ended December 31, 2021

	Budget	2021	2020
	(Note 23)		
<b>Revenue:</b>			
Net taxes available for municipal purposes (Note 15) \$	469,480,892	\$ 468,722,230	\$ 490,866,848
Government transfers for operating (Note 16)	19,705,869	29,866,192	62,323,224
Sales and user charges (Note 22)	53,923,316	50,507,593	51,896,997
Sales to other governments	3,552,434	3,700,436	3,656,341
Penalties and costs on taxes	2,352,400	2,570,018	5,532,304
Licenses and permits	1,282,260	2,406,319	1,720,509
Fines	2,340,000	2,976,732	1,939,891
Franchise and concession contracts	8,200,000	8,017,790	8,173,803
Returns on investments	21,419,809	23,918,167	41,743,198
Rentals	16,781,975	17,778,641	16,988,184
Other	6,171,780	8,787,864	8,896,139
Gain on disposal of tangible capital assets	-	-	594,796
	605,210,735	619,251,982	694,332,234
<b>Expenses (Note 17):</b>			
Council and other legislative	1,523,534	1,115,045	1,077,179
General administration	85,171,203	96,531,860	97,320,779
Other general government	40,885,029	45,093,845	43,931,253
Police	38,504,252	41,464,789	37,908,135
Fire	31,727,399	35,180,546	33,409,016
Disaster and emergency measures	3,400,674	13,741,048	37,762,839
Ambulance and first aid	10,149,452	11,118,231	10,190,104
Bylaws enforcement	5,930,769	5,216,635	5,480,739
Common and equipment pool	21,376,165	21,168,836	21,086,836
Roads, streets, walks, lighting	30,008,695	65,074,524	62,957,273
Public transport	20,724,395	27,675,294	28,127,973
Storm sewers and drainage	504,964	4,332,256	4,240,192
Water supply and distribution	26,148,951	50,680,550	51,207,206
Wastewater treatment and disposal	16,140,974	41,110,633	35,118,421
Waste management	16,059,999	16,471,376	16,529,290
Family and community support	10,212,765	23,615,307	14,765,473
Cemeteries and crematoriums	535,773	477,334	431,698
Land use planning, zoning and development	11,988,522	11,528,750	11,808,508
Public housing operations	22,156,313	26,034,942	28,881,496
Land, housing and building rentals	2,320,542	2,754,642	3,813,795
Recreation boards	25,073	18,145	49,836
Parks and recreation	60,875,736	94,424,020	94,676,111
Culture: libraries, museums, halls	5,340,822	5,149,738	5,171,057
	461,712,001	639,978,346	645,945,209
<b>Annual (deficit) surplus before other</b>	143,498,734	(20,726,364)	48,387,025
<b>Other:</b>			
Contributions of tangible capital assets	-	6,710,245	1,524,448
Government transfers for capital (Note 16)	29,629,991	57,078,128	12,978,308
<b>Annual surplus</b>	173,128,725	43,062,009	62,889,781
<b>Accumulated surplus, beginning of year</b>	5,392,863,677	5,392,863,677	5,329,973,896
<b>Accumulated surplus, end of year</b>	\$ 5,565,992,402	\$ 5,435,925,686	\$ 5,392,863,677

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, 2021

	Budget	2021	2020
	(Note 23)		
<b>Annual surplus</b>	\$ 173,128,725	\$ 43,062,009	\$ 62,889,781
Acquisition of tangible capital assets	(155,960,019)	(174,421,195)	(133,979,306)
Contributions of tangible capital assets	-	(6,710,245)	(1,524,448)
Transfer of tangible capital assets to inventory held for resale	-	-	378,777
Gain (loss) on disposal of tangible capital assets	-	2,496,919	(594,796)
Amortization of tangible capital assets	-	131,820,584	128,963,787
Proceeds on disposal of tangible capital assets	-	1,335,284	5,672,587
	17,168,706	(2,416,644)	61,806,382
Use of consumable inventories	-	646,340	101,612
Use (acquisition) of prepaid expenses	-	1,208,699	(307,802)
	-	1,855,039	(206,190)
<b>(Decrease) increase in net financial assets</b>	17,168,706	(561,605)	61,600,192
<b>Net financial assets, beginning of year</b>	1,078,668,021	1,078,668,021	1,017,067,829
<b>Net financial assets, end of year</b>	\$ 1,095,836,727	\$ 1,078,106,416	\$ 1,078,668,021

See accompanying notes to consolidated financial statements.



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

For the Year Ended December 31, 2021

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Annual surplus	\$ 43,062,009	\$ 62,889,781
Non-cash items included in annual surplus		
Amortization of tangible capital assets	131,820,584	128,963,787
Loss (gain) on disposal of tangible capital assets	2,496,919	(594,796)
Contributions of tangible capital assets	(6,710,245)	(1,524,448)
Loss on investment in long-term lease	-	768,673
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	1,759,968	(2,182,169)
Trade and other receivables	(21,128,368)	(12,459,137)
Inventories held for resale	9,424	731,829
Consumable inventories	646,340	101,612
Prepaid expenses	1,208,699	(307,802)
Accounts payable and accrued liabilities	1,060,904	(2,598,261)
Deposit liabilities	(349,091)	1,829,751
Deferred revenue	5,287,907	(5,859,190)
Employee benefit obligations	(1,802,404)	3,727,244
Contaminated sites liability	18,482	184,566
Provision for landfill closure and post-closure costs	1,243,174	1,430,632
Cash provided by operating transactions	158,624,302	175,102,072
<b>Capital:</b>		
Proceeds on disposal of tangible capital assets	1,335,284	5,672,587
Acquisition of tangible capital assets	(174,421,195)	(133,979,306)
Cash applied to capital transactions	(173,085,911)	(128,306,719)
<b>Investing:</b>		
Decrease in mortgages and notes receivable	62,663	1,284,773
Increase in restricted cash	(69,222)	(483,302)
Increase in investments	(111,458,432)	(137,718,877)
Cash applied to investing transactions	(111,464,991)	(136,917,406)
<b>Financing:</b>		
Long-term debt repaid	(14,699,466)	(3,756,989)
Cash applied to financing transactions	(14,699,466)	(3,756,989)
<b>Change in cash and cash equivalents during the year</b>	(140,626,066)	(93,879,042)
<b>Cash and cash equivalents, beginning of year</b>	284,805,537	378,684,579
<b>Cash and cash equivalents, end of year</b>	\$ 144,179,471	\$ 284,805,537

See accompanying notes to consolidated financial statements.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

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  
Wood Buffalo Arctic Winter Games Host Society

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.

#### (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.

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.

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.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 1. Significant accounting policies (continued)

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

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 may include 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.

#### (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.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 1. Significant accounting policies (continued)

#### (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, 2021

### 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, Code of Practice for Landfill Operations in Alberta*, and the *Standards for Landfills 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, 2021

### 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) 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.

##### (i) Portfolio investments

Section PS3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section 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, 2022.

##### (ii) Asset retirement obligations

Section 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 is applicable for fiscal years beginning on or after April 1, 2022.

### 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 \$16,227,783 (2020 - \$16,158,561).

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.



**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

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

	2021	2020
Current	\$13,705,639	\$ 12,973,791
Arrears**	21,878,201	20,655,052
	35,583,840	33,628,843
Less allowance for doubtful accounts	(25,789,567)	(22,074,602)
	\$ 9,794,273	\$ 11,554,241

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

**4. Trade and other receivables**

	2021	2020
Government transfers	\$ 38,772,543	\$ 16,028,147
GST recoverable	3,349,782	3,266,417
Utility receivables	6,459,628	6,411,136
Trade receivables	8,071,072	9,818,957
	\$ 56,653,025	\$ 35,524,657

Trade and other receivables include allowance for doubtful accounts of \$5,578,099 (2020 - \$5,718,568).

**5. Investments**

	2021		2020	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Cash	\$ 35,980,907	\$ 35,980,907	\$ 64,073,024	\$ 64,073,024
Government bonds, government guaranteed bonds and guaranteed investment certificates	665,632,464	657,861,044	572,703,021	585,547,075
Corporate bonds, debentures and mutual funds	404,002,006	401,711,145	360,124,411	366,509,626
Accrued interest	6,012,091	6,012,091	3,268,580	3,268,580
	\$ 1,111,627,468	\$ 1,101,565,187	\$ 1,000,169,036	\$ 1,019,398,305

Government bonds, government guaranteed bonds and guaranteed investment certificates, bearing interest at stated interest rates from 0.13% to 4.0% (2020 - 0.5% to 4.25%).

Corporate bonds, debentures and mutual funds, bearing rates from 0.95% to 4.93% (2020 - 0.9% to 4.93%).

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 2021 and 2020.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**6. Mortgages and notes receivable**

	2021	2020
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 (face value - \$4,894,831 (2020 - \$5,514,440))	\$ 2,126,717	\$ 2,166,541
Home equity loans, 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 (face value - \$4,385,449 (2020 - \$4,467,823))	1,830,982	1,863,553
Demand promissory notes receivable, bearing interest at 6% per annum, with total payments including principal and interest ranging from \$153 to \$449 per month, representing a 25-year amortization period, secured by land and buildings in Conklin and Janvier (face value - \$127,674 (2020 - \$102,984))	89,886	87,287
Demand second mortgages receivable, non-interest bearing, with total payments and forgiveness ranging from \$121 to \$240 per month, representing a 25-year amortization period, secured by land and buildings in Conklin and Janvier (face value - \$300,240 (2020 - \$220,838))	195,430	188,297
	\$ 4,243,015	\$ 4,305,678

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.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 7. 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 16.

	2020	Externally restricted inflows (outflows)	Revenue (recognized) reallocated	2021
<u>Government transfers</u>				
Operating:				
Community Housing Plan (a)	\$ 1,535,643	\$ 5,420,565	\$ (6,388,735)	\$ 567,473
Rent Supplement Program (b)	1,266,335	4,554,645	(3,648,886)	2,172,094
Emergency Services Grants (c)	253,547	484,970	(21,975)	716,542
Royal Canadian Mounted Police Grants (d)	377,460	1,509,840	(377,460)	1,509,840
FireSmart Grant (e)	1,105,778	-	(434,350)	671,428
Family and Community Support Services Grant (f)	160,377	2,245,265	(1,924,513)	481,129
Municipal Operating Support Transfer (g)	3,350,057	-	(3,350,057)	-
Other Grants (h)	1,576,772	1,097,558	(2,027,494)	646,836
	9,625,969	15,312,843	(18,173,470)	6,765,342
Capital:				
Municipal Sustainability Initiative Grant (i)	6,849,025	25,846,845	(32,695,870)	-
Federal Gas Tax Fund Grant (j)	9,819,197	13,174,400	(1,113,985)	21,879,612
Alberta Affordable Housing Initiative (k)	835,788	6,205	-	841,993
911 Grant (l)	518,114	8,144	-	526,258
South Policing Facility Grant (m)	1,180,506	-	(8,340)	1,172,166
FireSmart Grant - Emergency Response Systems (n)	1,175,535	11,894	(357,272)	830,157
Green Transit Incentives Program Grants (o)	94,654	343,429	(67,062)	371,021
Alberta Community Resilience Program Grant (p)	6,106,850	37,048	(1,688,235)	4,455,663
Municipal Stimulus Program (q)	-	13,303,100	-	13,303,100
Alberta Municipal Water/Wastewater Partnership (r)	-	3,010,031	(182,741)	2,827,290
	26,579,669	55,741,096	(36,113,505)	46,207,260
	36,205,638	71,053,939	(54,286,975)	52,972,602
<u>Other</u>				
Rights Holder Agreements (s)	929,600	-	(84,800)	844,800
Deferred Property Taxes	17,464,170	6,441,273	(17,464,170)	6,441,273
Deferred Offsite Levies and Developer Charges (t)	2,769,349	54,202	-	2,823,551
Deferred Developer Agreements (u)	3,320,398	-	-	3,320,398
Canadian Red Cross - Recovery Gift Agreement (v)	985,220	-	(696,026)	289,194
Canadian Red Cross - Disaster Response Service Agreement (w)	-	396,989	(256,727)	140,262
Golf and fitness memberships	569,293	3,471,949	(3,287,622)	753,620
Other	7,812,675	1,561,611	(1,615,736)	7,758,550
	33,850,705	11,926,024	(23,405,081)	22,371,648
	\$ 70,056,343	\$ 82,979,963	\$ (77,692,056)	\$ 75,344,250

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**7. 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) 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 2021, the Municipality received grant funding of \$4,554,645 (2020 - \$4,138,862).

*(c) Emergency Services Grants*

The Municipality received 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 2021, the Municipality received \$484,970 (2020 - \$634,854).

*(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 2021, the Municipality received \$1,509,840 (2020 - \$1,509,840).

*(e) 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 2021, the Municipality received \$nil (2020 - \$1,500,000).

*(f) Family and Community Services Support 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 2021, the Municipality received \$2,245,265 (2020 - \$2,084,890).

*(g) Municipal Operating Support Transfer*

In 2020, the Province of Alberta introduced the Municipal Operating Support Transfer to support municipalities for additional expenses and foregone revenues directly resulting from the COVID-19 pandemic. During 2021, the Municipality received \$nil (2020 - \$12,350,057).

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 7. Deferred revenue (continued)

#### Operating government transfers (continued)

(h) *Other grants consist of various operating government transfers, including:*

#### Alberta Culture and Tourism – Other Initiatives Grant

The Province of Alberta through the Minister of Culture and Tourism provides funding to support costs incurred towards hosting of the 2023 Arctic Winter Games. During the year, the Municipality allocated interest on the unspent grant in the amount of \$848 (2020 - \$13,127) and recognized \$892,042 (2020 - \$902,555) as government contributions revenue.

#### Capital government transfers

(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. In 2021, the Municipality received \$25,832,442 (2020 - \$nil) and allocated interest on the unspent grant in the amount of \$14,403 (2020 - \$81,304).

(j) *Federal Gas Tax Fund Grant*

The Federal Gas Tax Fund 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 2021, the Municipality received \$13,077,286 (2020 - \$6,388,689) and allocated interest on the unspent grant in the amount of \$97,114 (2020 - \$94,631).

(k) *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 2021, the Municipality allocated interest on the unspent grants in the amount of \$6,205 (2020 - \$11,083).

(l) *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 is done through delivering a new source of funding generated from a monthly 911 levy on cellphones, and by developing provincial standards for 911. In 2021, the Municipality received \$484,970 (2020 - \$484,845) and allocated interest on the unspent grant in the amount of \$8,144 (2020 - \$4,533). The 2021 grant of \$484,970 is allocated under Emergency Services Grants (Note 7c).

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 7. Deferred revenue (continued)

#### Capital government transfers (continued)

##### *(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. The remaining balance will be recognized as rental revenue over the term of the South Policing Facility lease.

##### *(n) FireSmart Grant – Emergency Response 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 FireSmart Interpretive Trail and to migrate existing emergency communication systems to Alberta First Responders Radio Communication System (AFRRCS). In 2021, the Municipality allocated interest on the unspent grant in the amount of \$11,894 (2020 - \$11,408).

##### *(o) Green Transit Incentive Program Grants*

The Municipality entered into cost-sharing agreements with Alberta Transportation to undertake the construction of a transit maintenance facility, 34 low floor buses and two bus bay turnouts, whereby the Province of Alberta provides 66.7% of eligible costs. In 2021, the Municipality received \$343,429 (2020 - \$3,576,081) and allocated interest on the unspent grant in the amount of \$nil (2020 - \$8,046).

##### *(p) Alberta Community Resilience Program Grant*

The Municipality entered into an agreement with Alberta Environment and Parks for funding under the Alberta Community Resilience Program to undertake flood mitigation work in the region. In 2021, the Municipality allocated interest on the unspent grant in the amount of \$37,048 (2020 - \$75,754).

##### *(q) Municipal Stimulus Program*

In 2020, the Province of Alberta introduced the Municipal Stimulus Program to assist municipalities with shovel-ready construction projects to stimulating employment and investment. During 2021, the Municipality received \$13,276,133 (2020 - \$nil) and allocated interest on the unspent grant in the amount of \$26,967 (2020 - \$nil).

##### *(r) Alberta Municipal Water/Wastewater Partnership*

The Province of Alberta, through the Alberta Municipal Water/Wastewater Partnership, provides cost-sharing funding to eligible municipalities to help build municipal facilities for water supply and treatment, and wastewater treatment and disposal. During 2021, the Municipality received \$3,000,000 (2020 - \$nil) for the Conklin Lagoon Upgrade and allocated interest on the unspent grant in the amount of \$10,031 (2020 - \$nil).



**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**7. Deferred revenue (continued)**Other*(s) 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.

*(t) 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 2021, the Municipality received \$23,409 (2020 - \$1,139) in levies and charges and allocated interest on the unspent levies and charges of \$30,793 (2020 - \$30,281).

*(u) Deferred Developer Agreements*

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

*(v) Canadian Red Cross – 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.

*(w) Canadian Red Cross – 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. During 2021, the Municipality received \$396,989 (2020 - \$nil).

**8. Employee benefit obligations**

		2021	2020
Accrued vacation pay and overtime bank	\$	9,815,581	\$ 10,382,957
Accrued salary and benefits		9,458,894	10,693,922
	\$	19,274,475	\$ 21,076,879

*(a) Vacation and overtime*

The vacation and overtime liability are 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.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 8. Employee benefit obligations (continued)

#### (b) Local Authorities Pension Plan (LAPP)

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 9.39% (2020 - 9.39%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 13.84% (2020 - 13.84%) for the excess. Employees of the Municipality are required to make current service contributions of 8.39% (2020 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2020 - 12.84%) 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 2021 are \$16,924,047 (2020 - \$17,140,911). Total current service contributions by the employees of the Municipality to the LAPP in 2021 are \$15,538,605 (2020 - \$15,655,098).

The LAPP reported a surplus for the overall plan as at December 31, 2020 of \$4,961,337,000 (2019 - \$7,913,261,000). Information as at December 31, 2021 is not available at the time of preparing these 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 202 (2020 - 208) 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 2.61% and 3.85% respectively on pensionable earnings up to \$162,278 (2020 - \$154,611) per employee per year.

Total current service contributions by the Municipality to APEX in 2021 were \$946,922 (2020 - \$852,475). Total current service contributions by the employees of the Municipality in 2021 were \$641,593 (2020 - \$577,912).

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.

#### (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 Consolidated Financial Statements

For the Year Ended December 31, 2021

## 8. Employee benefit obligations (continued)

### (e) 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. This program was discontinued as of 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, 2021, \$636,000 (2020 - \$1,319,277) is accrued within these consolidated financial statements relating to this program. During 2021, the Municipality paid out \$3,965,882 (2020 - \$3,980,717) for this program. There are 185 (2020 - 206) employees eligible, approved and participating in the program with an aggregate secured property value of \$113,556,570 (2020 - \$129,255,247) based on assessed values.

### (f) 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, 2021.

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>:

	2021	2020
Accrued benefit obligation		
Balance, beginning of year	\$ 595,105	\$ 988,675
Current service and interest cost (recovery)	47,183	(393,570)
Balance, end of year	642,288	595,105
Assets held to fund liability	(862,336)	(428,400)
Net (asset) liabilities	\$ (220,048)	\$ 166,705

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

	2021	2020
Inflation	2.00%	2.25%
Wages and salaries escalations	2.75%	2.75%
Interest (discount rate on accrued benefit obligations)	4.20%	4.45%
Average municipal service (years)	3.4	2.5

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**9. Contaminated sites liability**

The Municipality recorded a contaminated sites liability for 2021 of \$2,131,609 (2020 - \$2,113,127) which represents the present value of reclamation costs to the Municipality, using annual rates of 2.50% (2020 – 1.30%) for inflation and discount rates of 3.39% (2020 – 2.29%) for remediation costs and 1.66% (2020 – 1.10%) for any related pre-remediation or monitoring costs. The following represents the contaminated sites liability breakdown by site as at December 31st:

	2021	2020
Sites:		
Conklin - former airstrip	\$ 551,408	\$ 545,036
Conklin - former storage site	113,025	111,217
Fort Chipewyan - historic unofficial landfill	67,191	64,801
Fort McMurray - former tow yard	1,399,985	1,392,073
Net present value of estimated expenditures	\$ 2,131,609	\$ 2,113,127

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 \$2,404,458 (2020 - \$2,280,935) 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, 2021

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

The obligation recorded at December 31, 2021 for the landfill closure and post closure is \$20,097,468 (2020 - \$18,854,294) and represents the present value of closure and post-closure costs of the Municipality landfill sites, using annual rates of 2.5% (2020 – 1.3%) for inflation and discount rates of 1.66% (2020 – 1.1%) for post-closure and 3.39% (2020 – 2.29%) 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 2021 there are four closed and two partially closed landfill sites within the Regional Municipality of Wood Buffalo.

The Fort McMurray Regional landfill and the Fort Chipewyan landfill are the only operational landfill sites within the Municipality. The Fort McMurray Regional landfill consists of four cells. Cell 4 is fully constructed and available as additional capacity up until cells 1 to 3 are closed, at which point, cell 4 will be in full operation, and the only active cell.

2021				
Capacity utilization	Total Cells	Cells Used	% Used	Estimated remaining life in years
Fort McMurray - Regional landfill	4	2.58	65%	9
Fort Chipewyan	1	0.61	61%	13

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 four closed and two partially closed landfill sites within the Regional Municipality of Wood Buffalo:

	2021	2020
Estimated closure costs	\$23,172,735	\$ 22,607,545
Estimated post-closure costs	315,310	322,079
Estimated total liability (100% utilized)	23,488,045	22,929,624
Accrued liability portion (current utilization)	20,097,468	18,854,294
Portion of liability remaining to be recognized	\$ 3,390,577	\$ 4,075,330

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**11. Long-term debt**

	<b>2021</b>	<b>2020</b>
Controlled organizations debt	\$ 57,829,778	\$ 72,529,244

**Controlled organizations debt**

Long-term debt is comprised of commercial mortgages with weighted average interest rate of 2.7% (2020 - 2.6%), payments of \$341,445 per month including principal and interest, maturities from 2022 to 2030, with land and buildings pledged as collateral with a carrying value of \$178,866,104 (2020 - \$185,743,498).

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

	<b>Principal Payments</b>
2022	\$ 12,152,858
2023	14,940,261
2024	2,060,857
2025	2,116,528
2026	2,173,764
Thereafter	24,385,510
	<b>\$ 57,829,778</b>

Interest on long-term debt in 2021 amounted to \$1,749,411 (2020 - \$2,332,231).

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

Principal balances maturing would either be refinanced or paid in full at the date of maturity and are included in principal repayments due in the year of maturity.



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 12. 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**

	2021	2020
Maximum allowable debt	\$ 1,172,081,586	\$ 1,312,977,438
Total municipal debt	-	-
Amount of total debt limit available	\$ 1,172,081,586	\$ 1,312,977,438
Percentage used	0.00%	0.00%

#### **Debt service limit**

	2021	2020
Maximum allowable debt service	\$ 205,114,278	\$ 229,771,052
Annual payments on existing municipal debt	-	-
Amount of service on debt limit available	\$ 205,114,278	\$ 229,771,052
Percentage used	0.00%	0.00%

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, 2021

### 13. Tangible capital assets

	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Assets Under Construction	2021	2020
<b>COST:</b>									
<i>Balance, beginning of year</i>	\$ 417,701,025	\$ 373,732,811	\$ 1,024,510,518	\$ 3,169,614,263	\$ 160,580,786	\$ 89,181,940	\$ 341,202,927	\$ 5,576,524,270	\$ 5,457,036,100
Acquisition of tangible capital assets	4,719,296	30,423,601	29,339,642	167,894,795	8,576,079	2,067,518	(61,889,491)	181,131,440	135,503,100
Disposal of tangible capital assets	(487,159)	(7)	(597,597)	(6,427,677)	(448,698)	(1,847,772)	-	(9,808,910)	(16,015,000)
<i>Balance, end of year</i>	\$ 421,933,162	\$ 404,156,405	\$ 1,053,252,563	\$ 3,331,081,381	\$ 168,708,167	\$ 89,401,686	\$ 279,313,436	\$ 5,747,846,800	\$ 5,576,524,270
<b>ACCUMULATED AMORTIZATION:</b>									
<i>Balance, beginning of year</i>	\$ -	\$ 121,442,448	\$ 227,552,531	\$ 763,344,635	\$ 102,994,070	\$ 57,508,791	\$ -	\$ 1,272,842,475	\$ 1,154,438,000
Annual amortization	-	19,927,625	26,390,823	68,055,271	11,551,177	5,895,688	-	131,820,584	128,963,000
Accumulated amortization on disposals	-	(7)	(23,757)	(3,794,024)	(396,067)	(1,762,852)	-	(5,976,707)	(10,559,000)
<i>Balance, end of year</i>	\$ -	\$ 141,370,066	\$ 253,919,597	\$ 827,605,882	\$ 114,149,180	\$ 61,641,627	\$ -	\$ 1,398,686,352	\$ 1,272,842,000
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 421,933,162	\$ 262,786,339	\$ 799,332,966	\$ 2,503,475,499	\$ 54,558,987	\$ 27,760,059	\$ 279,313,436	\$ 4,349,160,448	\$ 4,303,681,795
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 417,701,025	\$ 252,290,363	\$ 796,957,987	\$ 2,406,269,628	\$ 57,586,716	\$ 31,673,149	\$ 341,202,927	\$ 4,303,681,795	

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

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

Assets under construction having a value of \$279,313,436 (2020 - \$341,202,927) 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 \$6,710,235 (2020 - \$1,524,448).

Contributed tangible capital assets received consists of:

	2021	2020
Roadway System	\$ 3,421,742	\$ 786,616
Water System	1,250,918	-
Wastewater System	1,111,444	-
Storm System	664,265	640,932
Land Improvements	261,866	96,900
	<u>\$ 6,710,235</u>	<u>\$ 1,524,448</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, 2021

### 14. Accumulated surplus

	2021	2020
Operations:		
Operating reserves:		
General administration	\$ 320,842,847	\$ 351,360,496
Common services	142,575	142,575
Recreation	609,055	755,858
Urban parks	289,775	289,775
Wood Buffalo Economic Development Corporation	6,472,047	7,507,711
Regional Municipality of Wood Buffalo Library Board	1,690,200	1,557,910
Wood Buffalo Housing & Development Corporation	33,282,407	44,565,079
Regional Recreation Corporation of Wood Buffalo	541,448	961,438
Wood Buffalo Arctic Winter Games Host Society	3,992,332	-
<b>Total operations</b>	<b>367,862,686</b>	<b>407,140,842</b>
Capital:		
Surplus (Deficit) - undesignated	64,862,956	61,431,120
Capital reserves:		
General	683,025,833	664,277,766
Equipment	706,327	706,327
Common services	708,599	708,599
Roads and streets	33,088	33,065
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	225,790	549,740
Wood Buffalo Housing & Development Corporation	14,123,330	13,817,260
Regional Recreation Corporation of Wood Buffalo	1,769,438	1,769,438
	<b>711,869,374</b>	<b>693,139,164</b>
Equity in tangible capital assets		
Tangible capital assets (Note 13)	5,747,846,800	5,576,524,270
Accumulated amortization (Note 13)	(1,398,686,352)	(1,272,842,475)
Long-term debt (Note 11)	(57,829,778)	(72,529,244)
	<b>4,291,330,670</b>	<b>4,231,152,551</b>
<b>Total capital</b>	<b>5,068,063,000</b>	<b>4,985,722,835</b>
<b>Accumulated surplus</b>	<b>\$ 5,435,925,686</b>	<b>\$ 5,392,863,677</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, the Wood Buffalo Economic Development Corporation and the Wood Buffalo Arctic Winter Games Host Society 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, 2021

### 14. Accumulated surplus (continued)

#### Changes in accumulated surplus

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
Balance, beginning of year	\$ 61,431,120	\$ 1,100,280,006	\$ 4,231,152,551	\$ 5,392,863,677	\$ 5,329,973,896
Annual surplus	43,062,009	-	-	43,062,009	62,889,781
Unrestricted funds designated for future use	(51,662,504)	51,662,504	-	-	-
Restricted funds used for operations	48,873,515	(48,873,515)	-	-	-
Restricted funds used for tangible capital assets	-	(23,336,935)	23,336,935	-	-
Current year funds used for tangible capital assets	(151,084,260)	-	151,084,260	-	-
Contributed tangible capital assets	(6,710,245)	-	6,710,245	-	-
Disposal of tangible capital assets	3,832,203	-	(3,832,203)	-	-
Annual amortization expense	131,820,584	-	(131,820,584)	-	-
Long term debt repaid	(14,699,466)	-	14,699,466	-	-
Change in accumulated surplus	3,431,836	(20,547,946)	60,178,119	43,062,009	62,889,781
Balance, end of year	\$ 64,862,956	\$ 1,079,732,060	\$ 4,291,330,670	\$ 5,435,925,686	\$ 5,392,863,677

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 15. Net taxes available for municipal purposes

	Budget (Note 23)	2021	2020
Taxation:			
Real property taxes	\$ 542,440,692	\$ 541,823,914	\$ 564,422,754
Government grants in lieu of property taxes	660,000	748,953	108,106
Special assessments and local improvement taxes	250,000	295,035	246,694
Well drilling	325,000	48,416	498,764
	543,675,692	542,916,318	565,276,318
Requisitions:			
Designated Industrial Properties	3,487,800	3,487,723	3,532,342
Alberta School Foundation Fund	66,024,000	66,023,781	66,154,003
School boards	4,683,000	4,682,584	4,723,125
	74,194,800	74,194,088	74,409,470
Net taxes available for municipal purposes	\$ 469,480,892	\$ 468,722,230	\$ 490,866,848

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. Budgeted taxation amounts exclude requisitioned amounts collected on behalf of other entities.

### 16. Government transfers

	Budget (Note 23)	2021	2020
Transfers for Operating:			
Conditional shared cost agreements and grants			
Federal Government	\$ 355,790	\$ 538,418	\$ 133,793
Provincial Government	19,350,079	29,327,774	62,189,431
Total government transfers for operating	19,705,869	29,866,192	62,323,224
Transfers for Capital:			
Conditional shared cost agreements and grants			
Federal Government	9,451,996	2,988,094	5,575,707
Provincial Government	20,177,995	54,090,034	7,402,601
Total government transfers for capital	29,629,991	57,078,128	12,978,308
Total government transfers	\$ 49,335,860	\$ 86,944,320	\$ 75,301,532



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 16. Government transfers (continued)

In addition to those government transfers relating to deferred revenues, as described in Note 7, 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 natural disaster events (Note 25). During 2021, the Municipality received \$nil (2020 - \$20,000,000), recognized as operating government transfers \$7,525,892 (2020 - \$31,023,022), recognized as capital government transfers \$9,773,642 (2020 - \$nil), and recognized as receivable \$32,134,996 (2020 - \$15,353,687).

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

Alberta Health Services provides a dispatch contract to partially offset the cost of running the Municipality's dispatch centre. During 2021, the Municipality received and recognized as operating government transfers \$55,530 (2020 - \$666,359).

##### (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 2021, the Municipality received and recognized \$7,178,054 (2020 - \$7,178,054).

##### (d) *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 2021, the Municipality received \$399,000 (2020 - \$400,000).

##### (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 2021, the Municipality received and recognized as operating government transfers \$706,610 (2020 - \$710,022).

##### (f) *Alberta Municipal Water/Wastewater Partnership*

The Province of Alberta, through the Alberta Municipal Water/Wastewater Partnership, provides cost-sharing funding to eligible municipalities to help build municipal facilities for water supply and treatment, and wastewater treatment and disposal. During 2021, the Municipality received \$5,025,000 (2020 - \$nil) to assist with the Fort Chipewyan Lift Station and Fort Chipewyan Water Treatment Plant expansion.

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**17. Expenses by object**

	<b>Budget</b>	<b>2021</b>	<b>2020</b>
	(Note 23)		
Salaries, wages and benefits	\$ 273,781,512	\$ 260,761,647	\$ 261,151,778
Contracted and general services	91,582,111	121,906,661	146,539,119
Purchases from other governments	27,065,750	28,552,627	24,704,021
Materials, goods, supplies and utilities	53,797,244	44,554,240	45,486,339
Provision for allowances	4,856,000	4,806,110	5,168,881
Transfers to local boards and agencies	528,960	380,000	533,478
Transfers to individuals and organizations	7,784,243	42,137,820	29,804,763
Bank charges and short-term interest	468,360	408,260	325,225
Interest on long-term debt	1,832,081	1,749,411	2,332,231
Other	15,740	404,067	166,914
Amortization of tangible capital assets	-	131,820,584	128,963,787
Loss on disposal of tangible capital assets	-	2,496,919	-
Loss on investment in long-term lease	-	-	768,673
<b>Total expenses</b>	<b>\$ 461,712,001</b>	<b>\$ 639,978,346</b>	<b>\$ 645,945,209</b>

**18. 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:

2022	\$ 1,463,612
2023	1,168,730
2024	883,616
2025	687,941
2026	515,618
Thereafter	1,383,051
	<b>\$ 6,102,567</b>

**19. Commitments and contingent liabilities***(a) Operating leases*

The Municipality has entered into lease agreements for the leasing of office space and equipment until 2038. The annual lease payments in each of the following years are:

2022	\$ 2,704,786
2023	1,738,660
2024	101,692
2025	14,475
2026	14,475
Thereafter	173,700
	<b>\$ 4,747,788</b>

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 19. 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, 2021, the Municipality had authorized the line of credit available from its bank in the amount of \$50,000,000 (2020 - \$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 (2020 - \$1,000,000) and \$9,000,000 (2020 - \$9,000,000) which bear interest at prime minus 0.5% and prime plus 3.0% respectively. At December 31, 2021, no amounts were drawn against these facilities (2020 - \$nil). In addition, one of the Municipality's controlled entities has access to a \$300,000 (2020 - \$300,000) 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 \$17,000,000 (2020 - \$19,000,000) 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 \$6,834,296 (2020 - \$7,085,238) and letters of credit in the amount of \$8,135,974 (2020 - \$10,303,918) 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, 2021. 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.

The Province of Alberta has provided the Municipality with financial support to purchase and remove properties from a flood hazard area, through a conditional grant agreement. The Municipality has agreed to ensure that the future use of acquired lands will not involve or permit any residential or commercial uses, or any uses that include the development of structures or infrastructure. If this condition is not met, the Municipality may be required to repay up to \$11,000,000.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 20. 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 2021	Total 2020
Mayor Bowen	\$ 25,506	\$ 7,195	\$ 32,701	\$ -
Former				
Mayor Scott	140,922	37,364	178,286	\$ 187,873
Ward 1				
Councillor Ball	7,108	2,915	10,023	-
Councillor Banjoko	7,108	2,428	9,536	-
Councillor Bussieres	7,108	2,432	9,540	-
Councillor Dogar	7,108	2,915	10,023	-
Councillor Grandison	7,108	2,994	10,102	-
Councillor McGrath	46,200	18,009	64,209	64,847
Ward 2				
Councillor Cardinal	7,108	2,915	10,023	-
Councillor Waquan	7,108	2,349	9,457	-
Ward 3				
Councillor Wigle	7,108	2,915	10,023	-
Ward 4				
Councillor Stroud	46,200	8,529	54,729	54,817
Former				
Councillor Allen	39,270	20,364	59,634	61,275
Councillor Balsom	39,270	20,700	59,970	61,490
Councillor Inglis	39,270	20,342	59,612	60,945
Councillor Lalonde	39,270	20,364	59,634	61,782
Councillor Meagher	39,270	12,869	52,139	61,224
Councillor Murphy	39,270	20,364	59,634	61,275
Councillor Peddle	39,270	17,596	56,866	59,554
Councillor Voyageur	42,258	20,874	63,132	63,493
Chief Administrative Officer				
Current	325,480	84,055	409,535	302,456
Former			-	196,675
Designated Officers (d)	622,730	649,077	1,271,807	618,067
	\$ 1,581,050	\$ 979,565	\$ 2,560,615	\$ 1,915,773

- (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 the home equity protection program, special leave with pay, honorarium, car, travel and technology allowances.
- (d) The Municipality's three designated officers are the Chief Financial Officer, Chief Legislative Officer and Director of Planning and Development.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 21. 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, Wood Buffalo Economic Development Corporation and Wood Buffalo Arctic Winter Games Host Society.

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, 2021

### 21. Segment disclosures (continued)

	2021									
	Fiscal Services	General Government	Protective Service	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2021 Total
Revenue:										
Net taxes available for municipal purposes	\$ 467,073,691	\$ -	\$ -	\$ 42,808	\$ 252,228	\$ -	\$ -	\$ -	\$ 1,353,503	\$ 468,722,230
Government transfers - operating and capital	-	62,748,257	14,727,170	-	-	1,748,584	-	294,825	7,425,484	86,944,320
Sales and user charges	-	355,962	1,809,294	526,860	41,136,700	34,128	127,817	57,268	6,459,564	50,507,595
Sales to other governments	-	374,438	201,172	-	3,124,826	-	-	-	-	3,700,436
Penalties and costs on taxes	2,257,322	134,543	-	-	178,153	-	-	-	-	2,570,018
Licenses and permits	-	239,942	165,700	372,774	-	-	1,627,903	-	-	2,406,319
Fines	-	-	2,976,732	-	-	-	-	-	-	2,976,732
Franchise and concession contracts	-	8,017,790	-	-	-	-	-	-	-	8,017,790
Returns on investments	-	23,215,845	(2,858)	387	-	-	-	1,873	702,920	23,918,167
Rentals	-	549,718	1,461,735	9,182	-	-	20,156	29,760	15,708,090	17,778,641
Contributions of tangible capital assets	-	-	-	4,347,873	2,362,362	-	10	-	-	6,710,245
Other	-	1,717,285	2,599,215	70,462	79,642	-	4,742	51,982	4,264,536	8,787,864
	469,331,013	97,353,780	23,938,160	5,370,346	47,133,911	1,782,712	1,780,628	435,708	35,914,097	683,040,355
Expenses:										
Salaries, wages and benefits	-	66,836,820	58,480,392	41,487,530	37,594,775	1,678,922	10,575,318	14,977,939	29,129,951	260,761,647
Contracted and general services	-	45,213,869	6,295,582	24,969,408	20,167,245	215,303	3,615,165	7,791,505	13,638,584	121,906,661
Purchases from other governments	-	27,690	28,205,577	312,738	-	-	6,622	-	-	28,552,627
Materials, goods, supplies and utilities	-	10,757,708	2,205,735	13,113,179	5,619,499	100,085	48,433	1,595,776	11,113,825	44,554,240
Provision for (recoveries of) allowances	4,339,702	87,772	352,477	-	26,113	-	-	-	46	4,806,110
Transfers to local boards and agencies	-	-	-	-	-	-	-	380,000	-	380,000
Transfers to (from) individuals and organizations	-	2,645,359	103,071	-	-	46,567,768	-	22,545,749	(29,724,127)	42,137,820
Bank charges and short-term interest	-	181,791	8,135	1,103	51,011	-	37,854	728	127,638	408,260
Interest on long-term debt	-	-	-	-	-	-	-	-	1,749,411	1,749,411
Other	-	402,927	-	-	755	-	-	-	385	404,067
Loss on disposal of tangible capital assets	-	-	-	-	2,485,223	-	-	-	11,696	2,496,919
	4,339,702	126,153,936	95,650,969	79,883,958	65,944,621	48,562,078	14,283,392	47,291,697	26,047,409	508,157,762
Annual surplus (deficit), before amortization	464,991,311	(28,800,156)	(71,712,809)	(74,513,612)	(18,810,710)	(46,779,366)	(12,502,764)	(46,855,989)	9,866,688	174,882,595
Amortization of tangible capital assets	-	6,405,975	4,644,894	44,121,977	42,317,938	-	-	26,603,055	7,726,745	131,820,584
Annual surplus (deficit)	\$ 464,991,311	\$(35,206,131)	\$(76,357,703)	\$(118,635,589)	\$(61,128,648)	\$(46,779,366)	\$(12,502,764)	\$(73,459,044)	\$ 2,139,943	\$ 43,062,005



# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 21. Segment disclosures (continued)

	2020									
	Fiscal Services	General Government	Protective Service	Transportation	Environmental Use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2020 Total
Revenue:										
Net taxes available for municipal purposes	\$ 489,879,773	\$ -	\$ -	\$ 44,010	\$ 202,684	\$ -	\$ -	\$ -	\$ 740,381	\$ 490,866,848
Government transfers - operating and capital	-	20,801,642	42,380,777	514,278	-	2,390,614	-	158,022	9,056,199	75,301,532
Sales and user charges	-	535,284	9,928,587	770,350	35,032,644	26,603	26,120	38,140	5,539,269	51,896,997
Sales to other governments	-	403,047	231,388	-	3,021,906	-	-	-	-	3,656,341
Penalties and costs on taxes	5,291,571	147,281	-	-	93,452	-	-	-	-	5,532,304
Licenses and permits	-	403,319	179,560	298,041	-	-	837,564	2,025	-	1,720,509
Fines	-	-	1,939,891	-	-	-	-	-	-	1,939,891
Franchise and concession contracts	-	8,173,803	-	-	-	-	-	-	-	8,173,803
Returns on investments	-	40,393,426	(8,171)	615	-	-	-	5,839	1,351,489	41,743,198
Rentals	-	652,287	901,166	13,931	-	-	22,645	5,251	15,392,904	16,988,184
Contributions of tangible capital assets	-	-	-	1,524,448	-	-	-	-	-	1,524,448
Other	-	4,047,467	1,225,688	-	200	-	-	71,172	3,551,612	8,896,139
Gain on disposal of tangible capital assets	-	104,518	-	-	-	-	-	-	490,278	594,796
	495,171,344	75,662,074	56,778,886	3,165,673	38,350,886	2,417,217	886,329	280,449	36,122,132	708,834,990
Expenses:										
Salaries, wages and benefits	-	65,101,459	57,485,754	43,282,367	35,389,059	2,502,829	11,181,905	15,234,639	30,973,766	261,151,778
Contracted and general services	-	53,249,284	27,409,913	15,570,084	19,941,544	117,640	4,282,889	5,465,878	20,501,887	146,539,119
Purchases from other governments	-	17,029	24,482,623	202,028	-	-	2,341	-	-	24,704,021
Materials, goods, supplies and utilities	-	9,896,490	4,998,055	13,218,949	5,808,541	77,579	131,417	1,353,607	10,001,701	45,486,339
Provision for (recoveries of) allowances	4,571,453	618,514	(28,483)	-	(2,205)	-	-	-	9,602	5,168,881
Transfers to local boards and agencies	-	-	-	-	-	-	-	533,478	-	533,478
Transfers to (from) individuals and organizations	-	1,490,999	197,095	-	-	32,858,596	-	23,479,072	(28,220,999)	29,804,763
Bank charges and short-term interest	-	148,495	7,167	60	19,542	-	23,750	843	125,368	325,225
Interest on long-term debt	-	-	-	-	-	-	-	-	2,332,231	2,332,231
Other	-	16,120	-	-	150,794	-	-	-	-	166,914
Valuation losses on mortgages receivable	-	-	-	-	-	-	-	-	768,673	768,673
	4,571,453	130,538,390	114,552,124	72,273,488	61,307,275	35,556,644	15,622,302	46,067,517	36,492,229	516,981,422
Annual surplus (deficit), before amortization	490,599,891	(54,876,316)	(57,773,238)	(69,107,815)	(22,956,389)	(33,139,427)	(14,735,973)	(45,787,068)	(370,097)	191,853,568
Amortization of tangible capital assets	-	6,449,579	4,291,933	44,176,007	41,547,642	-	-	24,688,623	7,810,003	128,963,787
Annual surplus (deficit)	\$ 490,599,891	\$ (61,325,895)	\$ (62,065,171)	\$ (113,283,822)	\$ (64,504,031)	\$ (33,139,427)	\$ (14,735,973)	\$ (70,475,691)	\$ (8,180,100)	\$ 62,889,781

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

**22. Sales and user charges by segment**

	<b>Budget</b>	<b>2021</b>	<b>2020</b>
	(Note 23)		
Council and other legislative	\$ 18,000	\$ 10,100	\$ 10,350
General administration	264,420	302,136	521,418
Other general government	122,500	43,726	69,503
Police	120,000	249,602	1,837,539
Fire	10,000	17,575	249,169
Disaster and emergency measures	-	-	6,291,654
Ambulance and first aid	1,294,000	1,531,332	1,329,090
Bylaw enforcement	9,000	10,785	221,135
Common and equipment pool	24,000	15,701	243,669
Roads, streets, walks, lighting	113,800	101,329	153,481
Public transport	737,500	409,830	373,200
Water supply and distribution	15,129,794	17,515,280	13,878,262
Wastewater treatment and disposal	9,268,774	11,719,636	11,417,306
Waste management	10,225,025	11,901,784	9,737,076
Cemeteries and crematoriums	20,000	34,128	26,603
Land use planning, zoning and development	30,000	35,536	26,120
Public housing operations	-	-	532,737
Parks and recreation	16,499,995	6,585,582	4,961,716
Culture: Libraries, museums, halls	36,508	23,531	16,969
<b>Total sales and user charges</b>	<b>\$ 53,923,316</b>	<b>\$ 50,507,593</b>	<b>\$ 51,896,997</b>

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 23. Budget data

The budget data presented in these consolidated financial statements is based upon the 2021 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.

	<b>Budget Amount</b>
Revenue:	
Operating budget	\$ 564,157,232
Capital budget	155,960,019
Subsidiaries' budget	43,631,611
Less:	
Transfers from other funds	128,908,136
Total revenue	634,840,726
Expenses:	
Operating budget	564,157,232
Capital budget	155,960,019
Subsidiaries' budget	41,141,419
Less:	
Transfers to other funds	143,586,650
Capital expenditures	155,960,019
Total expenses	461,712,001
Annual surplus	\$ 173,128,725

### 24. 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.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 25. Natural Disaster Events

#### a) Fire Event

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 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.

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 \$208,676,369 have been received from DRP since 2016 to assist in paying for financial commitments resulting from expenses incurred during and after the wildfire. The DRP recovery efforts are forecast to be finished by 2022.

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

	2021	2020
Financial assets		
Trade and other receivables	\$ 15,046,459	\$ 10,838,539
	15,046,459	10,838,539
Liabilities		
Deferred revenue	310,431	366,646
	310,431	366,646
Net financial assets	14,736,028	10,471,893
Revenue:		
Government transfers for operating	4,208,207	7,109,004
Other	-	2,780,598
	4,208,207	9,889,602
Expenses:		
General government	4,774,250	7,880,739
Public housing operations	-	48,756
	4,774,250	7,929,495
Annual (deficit) surplus	\$ (566,043)	\$ 1,960,107

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 25. Natural Disaster Events (continued)

#### a) Fire event (continued)

The wildfire impact on Expenses by Object (Note 17) consists of:

	2021	2020
Salaries, wages and benefits	\$ 156,933	\$ 164,991
Contracted and general services	4,436,196	7,658,825
Materials, goods, supplies and utilities	181,121	105,679
Total expenses	\$ 4,774,250	\$ 7,929,495

#### b) Flood Event

On April 26, 2020, the Municipality experienced a major flood event.

#### 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 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 \$7,066,773 from insurance providers since 2020 relating to municipal assets and equipment destroyed or damaged by the flood.

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 \$20,000,000 have been received from DRP to assist in paying for financial commitments resulting from expenses incurred during and after the flood. The DRP recovery efforts are forecast to be finished by 2022.

# REGIONAL MUNICIPALITY OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 25. Natural Disaster Events (continued)

#### b) Flood event (continued)

The following amounts recorded in the statement of operations and statement of financial position related to the 2020 flood event.

	2021	2020
Financial assets		
Trade and other receivables	\$ 17,088,537	\$ 4,515,148
Net financial assets	\$ 17,088,537	\$ 4,515,148
Non-financial assets		
Tangible capital assets	\$ 9,430,454	\$ -
Non-financial assets	\$ 9,430,454	\$ -
Revenue:		
Government transfers for operating	\$ 3,317,685	\$ 23,914,018
Government transfers for capital	9,773,642	-
Other	1,155,937	5,701,235
Gain on disposal of tangible capital assets	-	483,742
	14,247,264	30,098,995
Expenses		
Disaster and emergency measures	4,919,719	32,387,174
Annual surplus (deficit)	\$ 9,327,545	\$ (2,288,179)

The flood impact on Expenses by Object (Note 17) consists of:

	2021	2020
Salaries, wages and benefits	\$ -	\$ 1,632,975
Contracted and general services	3,826,211	27,767,407
Materials, goods, supplies and utilities	1,093,508	2,986,792
Total expenses	\$ 4,919,719	\$ 32,387,174

#### Measurement Uncertainty

The impact of natural disaster events are subject to a high degree of estimation and judgement, particularly as they relate 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 natural disaster events. 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, 2021

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**26. Approval of financial statements**

These financial statements were presented and approved by Council on April 12, 2022.

# WOOD BUFFALO ARCTIC WINTER GAMES HOST SOCIETY

Financial Statements

For the Year Ended December 31, 2021

Financial Statements of

# WOOD BUFFALO ARCTIC WINTER GAMES HOST SOCIETY

Year ended December 31, 2021

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## Management's Responsibility for the Financial Statements

The accompanying financial statements of the Wood Buffalo Arctic Winter Games Host Society ("the Society") are the responsibility of the Society's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of significant accounting policies followed by the Society are described in Note 2 to the financial statements. The preparation of financial statements involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Society'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 financial statements. These systems are monitored and evaluated by management.

For: Wood Buffalo Arctic Winter Games Host Society

Nicole Clow  
General Manager

**Wood Buffalo Arctic Winter Games Host Society****Statement of Financial Position**

As at December 31, 2021

(Unaudited)

	2021	2020
<b>Assets</b>		
Cash	\$ 4,446,897	\$ 1,757,539
Goods and Services Tax receivable	4,497	1,923
Prepaid expenses and deposits	38,335	19,168
Inventory	-	14,300
	<b>4,489,729</b>	<b>1,792,930</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,906	29,211
Deferred contributions (Note 4)	-	891,194
Due to the Regional Municipality of Wood Buffalo (Note 3)	492,491	872,525
	<b>497,397</b>	<b>1,792,930</b>
<b>Unrestricted Surplus</b>	<b>3,992,332</b>	<b>-</b>
	<b>\$ 4,489,729</b>	<b>\$ 1,792,930</b>

See accompanying notes to financial statements.

**Wood Buffalo Arctic Winter Games Host Society**  
**Statement of Operations and Changes in Unrestricted Surplus**

For the year ended December 31, 2021

(Unaudited)

	2021	2020
<b>Revenue</b>		
Government contributions - Municipal (Note 3)	\$ 4,000,000	\$ -
Government contributions - Provincial (Note 4)	892,042	902,555
Contributed services (Note 5)	322,494	601,158
Cash sponsorship	35,000	-
Merchandise sales	13,493	5,407
Interest	7,449	-
	<b>5,270,478</b>	<b>1,509,120</b>
<b>Expenses</b>		
Administration and finance (Note 5)	1,130,353	1,416,913
Marketing, communications and promotion	72,083	72,290
Culture, opening and closing ceremonies	66,691	19,556
Information technology	7,813	-
Sponsorship / Friends of the Games	800	-
Facilities and warehousing	406	-
Safety	-	361
	<b>1,278,146</b>	<b>1,509,120</b>
<b>Excess of revenue over expenses</b>	<b>3,992,332</b>	<b>-</b>
<b>Unrestricted surplus, beginning of period</b>	<b>-</b>	<b>-</b>
<b>Unrestricted surplus, end of period</b>	<b>\$ 3,992,332</b>	<b>\$ -</b>

See accompanying notes to financial statements.



## Wood Buffalo Arctic Winter Games Host Society

### Statement of Cash Flows

For the year ended December 31, 2021

(Unaudited)

	2021	2020
<b>Cash provided by (used in) operating activities:</b>		
Excess of revenue over expenses	\$ 3,992,332	\$ -
Changes in non-cash assets and liabilities:		
Goods and Services Tax receivable	(2,574)	(1,923)
Prepaid expenses and deposits	(19,167)	(19,168)
Inventory	14,300	(14,300)
Accounts payable and accrued liabilities	(24,305)	29,211
Deferred contributions	(891,194)	(889,428)
Due to the Regional Municipality of Wood Buffalo	(380,034)	2,653,147
<b>Change in cash during the period</b>	<b>2,689,358</b>	<b>1,757,539</b>
<b>Cash, beginning of period</b>	<b>1,757,539</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 4,446,897</b>	<b>\$ 1,757,539</b>

See accompanying notes to financial statements.

# Wood Buffalo Arctic Winter Games Host Society

## Notes to Financial Statements

For the year ended December 31, 2021

### 1. Nature of Operations

The Wood Buffalo Arctic Winter Games Host Society (the "Society") is a not-for-profit organization that formed in 2019 and incorporated on January 8, 2020 under the Alberta Business Corporations Act. The Society is not subject to federal or provincial income taxes. The Society will host the Wood Buffalo 2023 Arctic Winter Games, an international sports competition for northern and Arctic athletes.

The Society has one member – The Regional Municipality of Wood Buffalo.

### 2. Significant Accounting Policies

The Society's accounting policies set out below have been applied in these financial statements.

#### *Basis of Presentation*

The financial statements have been prepared by management in accordance with the PS 4200 series of the Canadian public sector accounting standards ("PSAS"). The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

#### *Revenue Recognition*

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions of materials and services that would otherwise have been purchased are recorded at their fair value. Volunteers may assist the Society in carrying out its service delivery activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

#### *Cash*

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

#### *Inventory*

Inventory consists of merchandise for sale and is valued at the lower of cost and net realizable value.

# Wood Buffalo Arctic Winter Games Host Society

## Notes to Financial Statements

For the year ended December 31, 2021

### 2. Significant Accounting Policies (continued)

#### *Financial Instruments*

The Society's financial instruments consist of cash, accounts payable and accrued liabilities, and due to the Regional Municipality of Wood Buffalo. The fair value of the Society's financial instruments approximate their carrying values due to the short-term nature of the instruments. The Society recognizes in the statement of operations an impairment loss, if any, where there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

### 3. Related party transactions

	2021	2020
Due to the Regional Municipality of Wood Buffalo ("RMWB")	\$ 492,491	\$ 872,525
	\$ 492,491	\$ 872,525

The RMWB has entered into a shared services agreement with the Society and a hosting agreement with the Arctic Winter Games International Committee.

During the year, the RMWB contributed an unrestricted grant of \$4,000,000 (2020 - \$nil) to the Society.

During the year, the RMWB paid \$904,302 (2020 - \$865,578) in related operating expenses on behalf of the Society, of which \$492,491 is owing as at year-end. Transactions between the Municipality and the Society are recorded at the exchange amounts established and agreed upon between the parties.

### 4. Deferred contributions

Deferred contributions is comprised of the funds noted below, the use of which is externally restricted. These funds are recognized as revenue in the year they are used for the purpose specified.

	December 31, 2020	Externally restricted inflows	Revenue (recognized)	December 31, 2021
Other Initiatives Grant (a)	\$ 891,194	\$ 848	\$ (892,042)	\$ -

#### *(a) Alberta Culture and Tourism – Other Initiatives Grant*

The Province of Alberta through the Minister of Culture and Tourism provides funding to support costs incurred towards hosting of the 2023 Arctic Winter Games. During the year, the Society earned interest on the unspent grant in the amount of \$848 (2020 - \$13,127) and recognized \$892,042 (2020 - \$902,555) as government contributions revenue.

**Wood Buffalo Arctic Winter Games Host Society****Notes to Financial Statements**

For the year ended December 31, 2021

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**5. Contributed Services**

The RMWB contributes staff resources to fulfill the Society's operations. The fair value of contributed staff resources are reflected under contributed services revenue and administration and finance expense.

Consolidated Financial Statements of

**REGIONAL RECREATION CORPORATION  
OF WOOD BUFFALO**

Year ended December 31, 2021

**Consolidated Financial Statements of**

**Regional Recreation Corporation of Wood Buffalo**

**Year ended December 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS


The accompanying consolidated financial statements of the Regional Recreation Corporation of Wood Buffalo (the "Corporation") are the responsibility of the Corporation's management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies followed by the Corporation are described in Note 2 to the consolidated financial statements. The preparation of the 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 Corporation'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 the preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board of Directors 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 Board of Directors approval of the consolidated financial statements.

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

For: Regional Recreation Corporation of Wood Buffalo

  
[Graig Walsh \(Mar 3, 2022 15:12 MST\)](#)  
 Graig Walsh  
 Chief Executive Officer

  
[Sudip Roy \(Mar 3, 2022 15:12 MST\)](#)  
 Sudip Roy, CMA, PMP, CPIM  
 Director, Corporate Services

March 2, 2022

## Independent Auditor's Report

To the Board of Directors of  
the Regional Recreation Corporation of Wood Buffalo

### Opinion

We have audited the consolidated financial statements of the Regional Recreation Corporation of Wood Buffalo (the "Corporation"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net 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 Corporation as at December 31, 2021, and the results of its operations, its changes in its net 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 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 Corporation 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.

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.

The signature of Deloitte LLP is written in a cursive, handwritten style.

Chartered Professional Accountants  
March 2, 2022

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Financial Position**

December 31, 2021

	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	\$ 8,857,171	\$ 7,226,124
Accounts receivable	592,833	296,021
Prepaid expenses and deposits	185,486	168,743
Inventories (Note 4)	178,849	173,973
	<b>9,814,339</b>	<b>7,864,861</b>
Capital assets (Note 6)	<b>16,455,892</b>	<b>17,359,079</b>
	<b>26,270,231</b>	<b>25,223,940</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	1,725,204	1,774,369
Accrued payroll liabilities	735,655	949,123
Deposits and funds held in trust (Note 11)	347,406	269,655
Due to the Regional Municipality of Wood Buffalo (Note 5)	2,906,676	243,927
Current portion of deferred revenue (Note 7)	1,709,300	1,519,560
	<b>7,424,241</b>	<b>4,756,634</b>
Deferred revenue (Note 7)	888,097	1,103,336
Deferred capital contributions (Note 8)	960,660	1,043,559
Unamortized deferred capital contributions (Note 9)	14,945,130	16,268,308
	<b>24,218,128</b>	<b>23,171,837</b>
<b>Net assets</b>		
Unrestricted surplus	457,210	877,200
Invested in capital assets	1,510,655	1,090,665
Internally restricted - WB Kids (Note 11)	84,238	84,238
	<b>2,052,103</b>	<b>2,052,103</b>
	<b>\$ 26,270,231</b>	<b>\$ 25,223,940</b>

Credit facility (Note 12)

See accompanying notes to consolidated financial statements

**Approved on behalf of the Board:**



Director



Director

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Operations**

For the Year Ended December 31, 2021

	2021	2020
<b>Revenues:</b>		
Contributions from the Regional Municipality of Wood Buffalo (Note 13)	\$ 16,623,895	\$ 19,052,777
Amortization of deferred capital contributions (Note 9)	2,971,964	4,001,759
Facility and equipment rental (Note 13)	2,165,186	1,925,890
Memberships	2,057,074	1,821,508
User fees and admissions	1,820,167	899,665
Other revenue (Note 13, 15)	1,510,117	2,000,817
Hospitality (food and beverage) (Note 13)	1,287,236	1,069,639
Sponsorships and donations	922,732	892,570
Programs	756,146	742,979
Pro-shop merchandise sales	522,215	326,268
Events	90,978	47,762
	<b>30,727,710</b>	<b>32,781,634</b>
<b>Cost of goods sold:</b>		
Events and hospitality (Note 10)	899,188	678,203
Pro-shop merchandise sales	402,910	265,553
Sponsorship fulfillment	118,248	101,493
	<b>1,420,346</b>	<b>1,045,249</b>
<b>Excess of revenues over cost of goods sold</b>	<b>29,307,364</b>	<b>31,736,385</b>
<b>Expenses:</b>		
Wages and benefits	16,710,053	18,113,362
Amortization of capital assets	3,212,416	3,586,029
Utilities (Note 13)	2,696,715	2,428,311
Supplies	1,511,546	1,078,081
Subcontractors	1,038,271	611,637
Lifecycle	890,559	2,293,443
Other expenses (Note 15)	670,359	1,715,177
Insurance (Note 13)	601,039	520,461
Communication and Information Technology	506,947	422,820
Repairs and maintenance	467,356	488,555
Professional fees	284,996	153,611
Advertising and Promotion	194,301	245,477
Equipment and miscellaneous rentals	181,571	151,334
Bank charges and penalties	99,603	94,653
Office and general	70,462	65,767
Travel and meals (Note 13)	64,162	95,615
Licenses, fees and permits (Note 13)	57,843	50,272
Training	52,713	95,920
Bad debts	46	9,602
Gain on disposal of capital assets	(3,594)	(483,742)
	<b>29,307,364</b>	<b>31,736,385</b>
<b>Deficiency of revenues over expenses</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to consolidated financial statements

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Changes in Net Assets**

For the Year Ended December 31, 2021

	Unrestricted Surplus	Invested in Capital Assets	Internally restricted - WB Kids Fund	2021
Balance, Beginning of Year	\$ 877,200	\$ 1,090,665	\$ 84,238	\$ 2,052,103
Invested in Capital Assets - net (Note 15)	(419,990)	419,990	-	-
Balance, End of Year	\$ 457,210	\$ 1,510,655	\$ 84,238	\$ 2,052,103

	Unrestricted Surplus	Invested in Capital Assets	Internally restricted - WB Kids Fund	2020
Balance, Beginning of Year	\$ 1,760,599	\$ 199,866	\$ 91,638	\$ 2,052,103
Internally Imposed Restriction (Note 11)	7,400	-	(7,400)	-
Invested in Capital Assets - net	(890,799)	890,799	-	-
Balance, End of Year	\$ 877,200	\$ 1,090,665	\$ 84,238	\$ 2,052,103

See accompanying notes to consolidated financial statements

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Cash Flow**

For the Year Ended December 31, 2021

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Deficiency of revenues over expenses	\$ -	\$ -
Non-cash items included in annual deficit		
Amortization of deferred capital contributions	(2,971,964)	(4,001,759)
Amortization of capital assets	3,212,416	3,586,029
Gain on disposal of capital assets	(3,594)	(483,742)
Gain on contribution of capital assets	(28,000)	-
Changes in non-cash operating working capital items:		
Accounts receivable	(296,812)	454,575
Inventories	(4,876)	97,518
Prepaid expenses and deposits	(16,743)	(60,642)
Due to the Regional Municipality of Wood Buffalo	2,662,749	429,271
Accounts payable and accrued liabilities	(289,646)	670,116
Accrued payroll liabilities	(213,468)	(156,474)
Deposits and funds held in trust	77,751	236,781
Deferred revenue	(25,499)	(459,604)
Cash provided by operating transactions	2,102,314	312,069
<b>Capital:</b>		
Purchase of capital assets	(2,044,249)	(2,622,933)
Proceeds from disposal of capital assets	7,095	827,413
Cash applied to capital transactions	(2,037,154)	(1,795,521)
<b>Financing:</b>		
Contributions received for the purchase of capital assets	1,565,887	1,669,002
Cash provided by financing transactions	1,565,887	1,669,002
 <b>Change in cash and cash equivalents during the year</b>	 <b>1,631,047</b>	 <b>185,551</b>
 <b>Cash and cash equivalents, beginning of year</b>	 <b>7,226,124</b>	 <b>7,040,573</b>
 <b>Cash and cash equivalents, end of year</b>	 <b>\$ 8,857,171</b>	 <b>\$ 7,226,124</b>

See accompanying notes to consolidated financial statements



# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 1. Nature of the organization

The Regional Recreation Corporation of Wood Buffalo (the "Corporation") is a not-for-profit corporation that was incorporated on June 10, 2013, under the Canada Not-for-profit Corporations Act and is not subject to any federal or provincial income taxes.

The Corporation was established by the Regional Municipality of Wood Buffalo to operate MacDonald Island Park, Anzac Recreation Centre (indoor operations only), Fort Chipewyan Aquatics Centre (aquatics programming only), Conklin Multiplex (indoor operations only), and any additional recreational and cultural facilities as the Municipality may from time to time request.

The Regional Municipality of Wood Buffalo provides operating and capital contributions to the Corporation on an annual basis to support the Corporation's activities. The Regional Municipality of Wood Buffalo and the Corporation have a 15 year operating agreement that commenced July 1, 2018.

The COVID-19 pandemic developed rapidly in 2020 and continued into 2021, with a significant number of cases. Measures taken by the Provincial and Federal government to contain the virus have affected economic activity and the Corporation's operations in various material ways:

- Restrictions, and resultant temporary closures and reopening's of our various facilities and amenities during the fiscal period.
- Increased health and safety measures to mitigate risk of exposure and spread of the virus.
- During the year the Corporation assessed no impairment of sustaining capital assets as it relates to COVID-19.

The Corporation has one member – the Regional Municipality of Wood Buffalo (the "Municipality").

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 2. Significant accounting policies

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

#### *Basis of presentation*

The financial statements have been prepared by management in accordance with the PS 4200 series of the Canadian public sector accounting standards ("PSAS"). The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

The financial statements include the accounts of the Corporation and its controlled not-for-profit organization, MacDonald Island Park Corporation ("MIPC"). MIPC is a Part IX corporation that was incorporated on February 5, 2004, under the Companies Act (Alberta) and is not subject to federal or provincial income taxes. On October 28, 2013, the Corporation was appointed the sole member of MIPC. MIPC is currently inactive.

#### *Controlled not-for-profit organizations*

The Corporation consolidates controlled not-for-profit organizations.

#### *Financial instruments*

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, amounts due to the Municipality, accounts payable and accrued liabilities, accrued payroll liabilities and deposits and funds held in trust. All of these instruments are initially recorded at fair value and subsequently measured at cost or amortized cost.

With respect to financial assets measured at cost or amortized cost, the Corporation recognizes in the consolidated statement of operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 2. Significant accounting policies (continued)

#### *Revenue recognition*

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the year in which the related amortization expense of the funded capital asset is recorded.

Contributions of materials and services that would otherwise have been purchased are recorded at their fair value. The fair value of services provided by the Municipality has been reflected in the financial statements of the Corporation, unless otherwise noted. Volunteers assist the Corporation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

Revenues from memberships, user fees, admissions, and sales of goods and services are recognized when services are performed or the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Proceeds from the sale of lifetime golf memberships are deferred and recognized as revenue over a period of ten years. Revenues from sponsorships are recognized over the terms of the sponsorship agreements. Rental revenue is recognized in the month earned, in accordance with the tenants' rental agreements.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash on deposit and short-term investments with original maturities of three months or less.

#### *Inventories*

Inventories are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 2. Significant accounting policies (continued)

#### *Capital assets*

Capital assets are recorded at cost. Assets are amortized on a straight-line basis over the estimated useful life as follows:

Automobile	5-10 years
Computer hardware and software	1-5 years
Equipment	2-15 years
Furniture and fixtures	3-10 years
Golf course improvements	20-30 years
Building and building improvements	5-50 years

Capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

#### *Contributed services*

Contributed services are recorded at fair value when such value can be reasonably estimated and the services are used in the normal course of operations and would otherwise have been purchased.

#### *Use of estimates*

The preparation of financial statements in conformity with PSAS 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 financial statements and the amounts of revenues and expenses during the reporting period. Significant estimates include the carrying value and useful lives of capital assets, unamortized deferred capital contributions, amortization period of certain deferred revenues, and valuation allowances for receivables and inventories. Actual results could differ from those estimates.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 3. Cash and cash equivalents

Included in cash and cash equivalents is an amount of \$1,149,949 (2020 - \$1,231,179) which has been externally restricted by the Municipality and required to be placed into a separate interest bearing account used solely for the agreed upon capital projects. This amount is the unspent amount related to capital contributions from the Municipality plus interest.

### 4. Inventories

	2021	2020
Golf - Pro Shop	\$ 115,034	\$ 96,707
Hospitality	42,205	47,952
Staff Uniform	18,357	25,387
Supplies	3,253	3,927
	<u>\$ 178,849</u>	<u>\$ 173,973</u>

### 5. Due to related parties

The amount due to the Municipality relates to insurance and DRP proceeds receivable, normal trade accounts receivable, normal trade accounts payable, and certain transactions that are processed by the Municipality on behalf of the Corporation. The amount due to the Municipality is unsecured, non-interest bearing and without scheduled repayment terms.

### 6. Capital assets

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 16,611,617	\$ 13,261,027	\$ 3,350,590	\$ 3,883,132
Building and building improvements	12,391,492	5,847,114	6,544,378	6,607,698
Golf course improvements	7,157,411	2,529,399	4,628,012	4,871,582
Furniture and fixtures	4,412,071	3,311,416	1,100,655	1,300,873
Computer software	1,378,082	1,377,340	742	6,132
Computer hardware	1,933,367	1,533,069	400,298	590,069
Automotive	658,771	227,554	431,217	99,593
	<u>\$ 44,542,811</u>	<u>\$ 28,086,919</u>	<u>\$ 16,455,892</u>	<u>\$ 17,359,079</u>

The Corporation is responsible for the operations and maintenance of the MacDonald Island Park, Anzac Recreation Centre (indoor only), Conklin Multiplex (indoor only), and aquatics programming at the Fort Chipewyan Aquatics Centre. These facilities are owned by the Municipality and these capital assets are not included in these financial statements. In addition, the Corporation is responsible for capital improvements to the golf course.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 6. Capital assets (continued)

Included in capital additions are \$240,481 (2020 - \$172,769) that are included in accounts payable and accrued liabilities at year-end and \$28,000 (2020 - \$nil) in additions and proceeds, related to asset exchanges that were non-cash in nature during the year. As such, they are treated as non-cash transactions on the consolidated statement of cash flow.

### 7. Deferred revenue

Deferred revenue balance consists of the following:

	2021	2020
Sponsorship agreements	\$ 1,535,672	\$ 1,706,904
Fitness memberships and programs	659,546	434,598
Facility rentals	195,963	208,704
Gift certificates	95,142	120,996
Annual golf memberships	84,971	120,583
Box office	17,000	17,000
Lifetime golf memberships	9,103	14,111
	<u>2,597,397</u>	<u>2,622,896</u>
Less current portion	1,709,300	1,519,560
	<u>\$ 888,097</u>	<u>\$ 1,103,336</u>

Included in the non-current liability portion of deferred revenue is \$871,737 (2020 - \$1,083,220) relating to sponsorship agreements, \$9,886 (2020 - \$11,013) relating to sport and recreation memberships, and \$6,474 (2020 - \$9,103) relating to lifetime golf memberships.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 8. Deferred capital contributions

Deferred capital contributions represent unspent funds contributed to the Corporation by the Municipality and other externally restricted capital funds that are to be used for future upgrades and improvements as follows:

	January 1, 2021	Amounts Received	Transfers (Note 9)	December 31, 2021
Capital facility upgrades	\$ 939,514	\$ 1,555,000	\$ (1,648,786)	\$ 845,728
Interest on grant received for capital projects	104,045	10,887	-	114,932
	<u>\$ 1,043,559</u>	<u>\$ 1,565,887</u>	<u>\$ (1,648,786)</u>	<u>\$ 960,660</u>
	January 1, 2020	Amounts Received	Transfers (Note 9)	December 31, 2020
Capital facility upgrades	\$ 995,691	\$ 1,655,280	\$ (1,711,457)	\$ 939,514
Interest on grant received for capital projects	90,323	13,722	-	104,045
	<u>\$ 1,086,014</u>	<u>\$ 1,669,002</u>	<u>\$ (1,711,457)</u>	<u>\$ 1,043,559</u>

### 9. Unamortized deferred capital contributions

	2021	2020
Balance, beginning of year	\$ 16,268,308	\$ 18,558,610
Transfers from deferred capital contributions (Note 8)	1,648,786	1,711,457
Amounts recognized as revenue	(2,971,964)	(4,001,759)
Balance, end of year	<u>\$ 14,945,130</u>	<u>\$ 16,268,308</u>

### 10. Events and hospitality cost of goods sold

	2021	2020
Hospitality	\$ 516,946	\$ 331,466
Events	218,452	194,281
Tournament	120,838	43,709
Sundry	42,952	108,747
	<u>\$ 899,188</u>	<u>\$ 678,203</u>



# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 11. Externally and internally restricted – WB Kids Fund

In 2010, the Corporation established the WB Kids Fund (the “Fund”) where up to 5% of funds raised through facility sponsorships will be set aside in the Fund to provide subsidized access fees to community members that will allow participation in RRC activities and other activities within the community of Wood Buffalo. The Fund will focus on ensuring that those who wish to participate in sport, recreation, leisure, culture and corporate events will be able to do so without financial barriers. The Fund is accessible through an approved application process. Where the 5% contribution is included in sponsorship agreement terms, the amounts are considered to be externally restricted. Deposits and Funds Held in Trust on the Statement of Financial Position totals \$250,763 (2020 - \$215,726).

### 12. Credit facilities

On September 23, 2019, the Corporation amended a banking agreement that includes a revolving demand credit facility available in the amount of \$1,000,000 (2020 - \$1,000,000) which bears interest at prime less 0.5% per annum. At December 31, 2021, this facility had not been drawn upon. In addition, the Corporation has access to a \$300,000 (2020 - \$300,000) Visa business facility which is drawn upon from time to time. Accounts receivable have been pledged as security on these facilities.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

### 13. Related party transactions

The following transactions with the Municipality and the Library Board are included within the financial statements of the Corporation:

	2021	2020
Regional Municipality of Wood Buffalo - Revenues		
Operating contributions	\$ 16,623,895	\$ 19,052,777
Other revenue	1,059,043	2,698,414
Facility rental	181,993	11,533
Hospitality (food and beverage)	2,252	10,712
Regional Municipality of Wood Buffalo - Expenses		
Insurance	495,909	426,865
Utilities	239,599	163,959
Travel and Meals	30,800	33,600
License, fees and permits	8,157	8,809
Supplies	-	8,156
Regional Municipality of Wood Buffalo Library Board		
Service agreement revenue	636,023	609,536
Facility and equipment rental	2,000	200
Marketing & Promotions	1,250	-
Hospitality (food and beverage)	100	7,133

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, capital contributions in the amount of \$1,555,000 (2020 - \$1,655,280) were received from the Municipality for capital upgrades. During the year, \$985,504 (2020 - \$1,033,576) was spent from current year funding and \$663,282 (2020 - \$677,881) was spent from prior years.

### 14. Non-monetary transactions

The Corporation entered into contracts with several local organizations to provide construction services, advertising, program materials and event services in exchange for advertising, programming and sponsorship recognition in the facility. In 2021, non-monetary transactions in the consolidated statement of operations include \$10,665 (2020 - \$29,287) of cost of sales, \$72,101 (2020 - \$17,500) expenses and \$82,766 (2020 - \$46,787) of revenue. The consolidated statement of financial position also includes \$28,000 (2020 - \$nil) in capital assets.

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**

## Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021

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**15. Other revenues and expenses**

The Corporation experienced damages related to an Air Handling Unit Fire in January of 2020, and overland flooding in May of 2020. Included in Other revenue is \$1,059,043 (2020 - \$1,433,183) of Insurance proceeds and Disaster Relief Funding for flood damage and \$nil (2020 - \$171,713) of Insurance for the Air Handling Unit Fire. In conjunction with these proceeds, Other expenses consist of \$670,359 (2020 - \$1,533,464) of flood remediation expenses and \$nil (2020 - \$181,713) of expenses related to the Air Handling Unit Fire. Capital assets were purchased from overland flooding related Insurance proceeds in 2021 for a total of \$108,713 (2020 - \$1,092,812).

**16. Economic dependence**

The Corporation's primary source of funding for operations is the Regional Municipality of Wood Buffalo. The Corporation's ability to continue viable operations is dependent on this funding.

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Financial statements of  
Regional Municipality of  
Wood Buffalo Library Board

December 31, 2021

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## Independent Auditor's Report

To the Board of Directors of the  
Regional Municipality of Wood Buffalo Library Board

### Opinion

We have audited the financial statements of the Regional Municipality of Wood Buffalo Library Board (the "Library"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes to the 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 Library as at December 31, 2021, and its financial performance 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 Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Library'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 Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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 Library'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 Library'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 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 Library 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.

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.



Chartered Professional Accountants  
March 16, 2022



# Regional Municipality of Wood Buffalo Library Board

## Statement of financial position

As at December 31, 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
Cash and cash equivalents	3	2,854,889	2,820,506
Accounts receivable	4	41,699	33,726
		<b>2,896,588</b>	<b>2,854,232</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	11	65,782	48,042
Due to Regional Municipality of Wood Buffalo	5	432,243	297,416
Deferred revenue	6	690,596	511,615
		<b>1,188,621</b>	<b>857,073</b>
Net financial assets		<b>1,707,967</b>	<b>1,997,159</b>
Non-financial assets			
Tangible capital assets	7	1,147,329	1,178,960
Prepaid expenses		186,493	110,491
		<b>1,333,822</b>	<b>1,289,451</b>
<b>Accumulated surplus</b>	8	<b>3,041,789</b>	<b>3,286,610</b>

The accompanying notes are an integral part of the financial statements.

Approved by the Board



\_\_\_\_\_, Director



Amanda MacPherson (Mar 28, 2022 12:06 MDT) \_\_\_\_\_, Director

**Regional Municipality of Wood Buffalo Library Board**  
**Statement of operations and accumulated surplus**  
Year ended December 31, 2021

	Notes	Budget \$	2021 \$	2020 \$
		(Note 16)		
<b>Revenue</b>				
Government transfers	10	4,938,712	4,381,408	4,492,502
Donations and fundraising		168,750	117,849	155,164
Fines, memberships, and fees		36,508	23,531	16,969
Interest income		42,000	23,398	31,585
Other income		35,900	633	11,083
		<b>5,221,870</b>	<b>4,546,819</b>	4,707,303
<b>Expenses</b>				
Wages and benefits	14	3,714,384	3,061,772	3,033,948
Rent (janitorial, utilities, and internet)	12	636,000	636,000	609,500
Amortization of tangible capital assets		475,000	366,888	424,276
Electronic databases and periodicals		164,300	170,138	167,673
Programs	12	137,500	131,726	118,003
Office and administration	12	68,910	92,729	61,029
Marketing and promotions	13	96,000	85,022	87,304
Computer maintenance and supplies		58,800	77,225	82,862
Supplies for programs		45,000	49,853	41,271
Professional fees		60,000	56,494	61,386
Loss on sale of tangible capital assets		—	30,970	21,107
Travel, seminars, and training		24,400	11,044	3,163
Alberta library dues		7,000	7,638	7,514
Interest and bank charges		4,000	5,277	4,664
Book processing		8,500	4,996	9,652
Board and committees		3,386	2,647	2,926
Recruiting costs		—	652	—
Access and auxiliary services		6,500	569	1,899
Freight, duties, and foreign exchange		200	—	265
		<b>5,509,880</b>	<b>4,791,640</b>	4,738,442
<b>Annual deficit</b>		<b>(288,010)</b>	<b>(244,821)</b>	(31,139)
Accumulated surplus, beginning of year		3,286,610	3,286,610	3,317,749
<b>Accumulated surplus, end of year</b>		<b>2,998,600</b>	<b>3,041,789</b>	3,286,610

The accompanying notes are an integral part of the financial statements.

**Regional Municipality of Wood Buffalo Library Board**  
**Statement of changes in net financial assets**  
Year ended December 31, 2021

		<b>Budget</b>	<b>2021</b>	<b>2020</b>
	Notes	\$	\$	\$
		<b>(Note 16)</b>		
<b>Annual deficit</b>		<b>(288,010)</b>	<b>(244,821)</b>	(31,139)
Acquisition of tangible capital assets	7	<b>(253,990)</b>	<b>(366,227)</b>	(254,377)
Amortization of tangible capital assets	7	<b>475,000</b>	<b>366,888</b>	424,276
Loss on sale of tangible capital assets	7	<b>—</b>	<b>30,970</b>	21,107
		<b>(67,000)</b>	<b>(213,190)</b>	159,867
Use of prepaid expenses		<b>—</b>	<b>(76,002)</b>	726
Change in net financial assets		<b>(67,000)</b>	<b>(289,192)</b>	160,593
Net financial assets, beginning of year		<b>1,997,159</b>	<b>1,997,159</b>	1,836,566
<b>Net financial assets, end of year</b>		<b>1,930,159</b>	<b>1,707,967</b>	1,997,159

The accompanying notes are an integral part of the financial statements.

**Regional Municipality of Wood Buffalo Library Board**  
**Statement of cash flows**  
Year ended December 31, 2021

	Notes	2021 \$	2020 \$
<b>Operating activities</b>			
Annual deficit		(244,821)	(31,139)
Items not affecting cash			
Amortization of tangible capital assets	7	366,888	424,276
Loss on sale of tangible capital assets	7	30,970	21,107
Changes in non-cash operating working capital items			
Accounts receivable	4	(7,973)	30,343
Accounts payable and accrued liabilities		17,740	(32,975)
Due to Regional Municipality of Wood Buffalo	5	134,827	(368,547)
Deferred revenue	6	178,981	444,540
Prepaid expenses		(76,002)	726
Cash provided by operating transactions		<u>400,610</u>	<u>488,331</u>
<b>Capital activities</b>			
Acquisition of tangible capital assets		(366,227)	(254,377)
Cash used in capital transactions		<u>(366,227)</u>	<u>(254,377)</u>
Increase in cash and cash equivalents		34,383	233,954
Cash and cash equivalents, beginning of year		<u>2,820,506</u>	<u>2,586,552</u>
<b>Cash and cash equivalents, end of year</b>		<u><b>2,854,889</b></u>	<u><b>2,820,506</b></u>

The accompanying notes are an integral part of the financial statements.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2021

#### 1. Nature of the organization

The Regional Municipality of Wood Buffalo Library Board (the "Library") operates a library under the Province of Alberta Libraries Act. The Library is a not-for-profit organization and a registered charitable organization under the Income Tax Act of Canada, and is not subject to any federal or provincial income taxes.

In March 2020, the World Health Organization declared a global pandemic related to the outbreak of COVID-19 (coronavirus). This event has had a significant impact on the Library through restrictions put in place by the Government of Alberta regarding business operations and isolation/quarantine orders. During 2021, the Library provided reduced library services for the year that varied from fully closed to partially open, dependent on active Public Health Orders. These orders also impacted staffing levels, which were adjusted to meet requirements. While the extent of the pandemic's impact is unknown, there has been reduced revenue from general library operations and government restrictions, all of which impact the Library's operations and financial condition.

#### 2. Significant accounting policies

The Library's financial statements are prepared by management in accordance with the Canadian public sector accounting standards ("Canadian PSAS").

Significant accounting policies are as follows:

##### *Basis of presentation*

The Library follows the accrual basis of accounting for revenues and expenses. Revenues are normally recognized in the year in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

##### *Government transfers*

Government transfers are the transfers of assets from senior level government that are not the result of an exchange transaction, not expected to be repaid in the future or the result of a direct financial return.

Government transfers are recognized as deferred revenue if the terms for use, or the terms along with the Library's actions and communications as to the use, create a liability. These government transfers are recognized as revenue when the terms are met.

Government transfers without terms for the use of the grant are recognized as revenue when the Library is eligible to receive the funds. Unrestricted government transfers are recognized as revenue in the year received or in the year the funds are committed to the Library if the amount can be reasonably estimated and collection is assured.

##### *Cash and cash equivalents*

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less and are recorded at cost.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2021

## 2. Significant accounting policies

### *Deferred revenue*

Deferred revenue represents amounts received for which the related activities have yet to be performed. These amounts will be recognized as revenues in the period the activities are performed.

### *Interest income*

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

### *Non-financial asset*

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 normal course of operations.

### *Tangible capital assets*

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

Asset	Rate
Vehicles	5 years
Books	7 years
CDs, DVDs, and audio books	3 years
Radio frequency indicator	5 years
Furniture and equipment	5-10 years
Computer hardware	4-5 years
Computer software	5 years
Building improvements	5 years

Annual amortization is charged at 50% in the year of acquisition and 50% in the year of disposal. Tangible capital assets under work-in-progress are not amortized until the asset is available for productive use.

### *Contributions of tangible capital assets*

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Library's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations and accumulated surplus.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2021

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## 2. Significant accounting policies (continued)

### *Works of art and cultural and historical capital assets*

Works of art and cultural and historical assets are not recorded as tangible capital assets in these financial statements.

### *Internally restricted reserves*

#### *Operating reserves*

The operating reserve provides for unusual one-time expenditures that are operating in nature and provide stabilization to the budget resulting from sudden economic downturns. The operating reserve has a ceiling limit of 10% of annual operating budget.

Carry-forward project reserves are restricted unspent project funds to ensure funds are available to complete future projects.

#### *Capital reserves*

The capital reserve provides funding to ensure that a prudent level of resources are available to provide for capital asset repairs, replacement upgrading or new construction while balancing the need with long-term debt financing.

The IT capital reserve provides funding for replacement and upgrading of the Library's information and communication technology.

Transfers to the reserves are determined through the annual operating and capital budget process and at the Library Board's discretion.

Reserve amounts are expended as approved by the Library Board through the annual operating and capital budget process as required.

### *Use of estimates*

The preparation of financial statements in conformity with Canadian PSAS 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 financial statements and the amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, estimates of historical cost of certain tangible capital assets, non-monetary transaction, revenue recognized in the year, certain deferred revenues, and useful life of tangible capital assets. Actual results could differ from those estimates.

## 3. Cash and cash equivalents

Included in cash and cash equivalents is an amount of \$1,690,201 (\$1,457,959 in 2020) which has been designated by the Library's Board for approved future capital expenditure projects and operating reserves (see Note 9).



# Regional Municipality of Wood Buffalo Library Board

## Notes to the financial statements

December 31, 2021

### 4. Accounts receivable

	2021 \$	2020 \$
Goods and Services Tax receivable	41,666	33,714
Other	33	1,049
Allowance for doubtful accounts	—	(1,037)
	<u>41,699</u>	<u>33,726</u>

### 5. Due to Regional Municipality of Wood Buffalo

The amounts due to the Regional Municipality of Wood Buffalo ("RMWB") relate to payroll services provided by RMWB to the Library, which are non-interest bearing, are unsecured, and have no fixed term of payment (see Note 12).

### 6. Deferred revenue

Deferred revenue is comprised of operations, sponsorship and program contributions that relate to future years as follows:

	2021 \$	2020 \$
Operations	545,000	450,000
Sponsorship	130,057	60,057
Provincial Grant	12,682	—
Program and other	2,857	1,558
	<u>690,596</u>	<u>511,615</u>

# Regional Municipality of Wood Buffalo Library Board

## Notes to the financial statements

December 31, 2021

### 7. Tangible capital assets

	Vehicles	Books	CDs, DVDs, and audio books	Radio frequency indicator	Furniture and equipment	Computer hardware	Computer software	Building improvements	Work in Progress	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>										
Balance, beginning of year	157,031	2,532,444	1,178,068	200,899	1,708,939	650,119	45,918	438,487	25,203	6,937,108
Acquisition of tangible capital assets	—	132,143	61,564	—	—	86,064	—	—	86,456	366,227
Disposal of tangible capital assets	—	(93,806)	(90,659)	—	—	—	—	—	—	(184,465)
Balance, end of year	157,031	2,570,781	1,148,973	200,899	1,708,939	736,183	45,918	438,487	111,659	7,118,870
<b>Accumulated amortization</b>										
Balance, beginning of year	141,327	1,820,120	1,031,638	172,859	1,500,138	635,097	43,936	413,033	—	5,758,148
Annual amortization - net	15,704	167,206	100,106	11,216	43,308	19,436	1,982	7,930	—	366,888
Disposal - Accumulated amortization	—	(66,408)	(87,087)	—	—	—	—	—	—	(153,495)
Balance, end of year	157,031	1,920,918	1,044,657	184,075	1,543,446	654,533	45,918	420,963	—	5,971,541
2021 Net book value	—	649,863	104,316	16,824	165,493	81,650	—	17,524	111,659	1,147,329
2020 Net book value	15,704	712,324	146,430	28,040	208,801	15,022	1,982	25,454	25,203	1,178,960

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2021

#### 8. Accumulated surplus

Accumulated surplus consists of unrestricted amounts, internally restricted reserves, and equity in tangible capital assets as follows:

	2020 \$	Deficit \$	Transfers \$	2021 \$
Operations	649,691	(244,821)	(200,611)	<b>204,259</b>
Internally restricted reserves (Note 9)	1,457,959	—	232,242	<b>1,690,201</b>
Invested in tangible capital assets	1,178,960	—	(31,631)	<b>1,147,329</b>
	<b>3,286,610</b>	<b>(244,821)</b>	<b>—</b>	<b>3,041,789</b>

#### 9. Internally restricted reserves

	2021 \$	2020 \$
Operating reserves		
General operating reserve	<b>522,000</b>	522,000
Carry-forward project reserve	<b>326,517</b>	386,219
Total operating reserves	<b>848,517</b>	908,219
Capital reserves		
General capital reserve	<b>841,683</b>	303,711
IT capital reserve	—	246,029
Total capital reserves	<b>841,683</b>	549,740
Total reserves	<b>1,690,201</b>	1,457,959

#### 10. Government transfers

	2021 \$	2020 \$
Regional Municipality of Wood Buffalo (Note 12)	<b>3,782,480</b>	4,232,480
Province of Alberta	<b>706,610</b>	710,022
Previously Deferred Government Transfers Recognized	<b>450,000</b>	—
Received Government Transfers Deferred	<b>(557,682)</b>	(450,000)
	<b>4,381,408</b>	4,492,502

The government transfers from the RMWB include \$3,782,480 (\$4,232,480 in 2020) received in the current year, and \$450,000 (nil in 2020) which was deferred from prior year. \$545,000 (\$450,000 in 2020) has been approved by the RMWB to be deferred for use for next year.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2021

#### 11. Financial instruments

The fair values of the Library's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to RMWB approximate their carrying values due to the short-term nature of the instruments. It is management's opinion that the Library is not exposed to significant currency, interest or credit risk arising from its financial instruments.

#### 12. Related party transactions

The Library and Regional Recreation Corporation of Wood Buffalo ("RRC") are related through common control by RMWB. During the year, the Library had the following transactions with RRC:

	2021	2020
	\$	\$
Rent (including janitorial, utilities, and internet)	<b>636,000</b>	609,500
Programs	<b>2,000</b>	9,333
Office and administration	<b>1,273</b>	36
Other	<b>100</b>	—
	<b>639,373</b>	618,869

During the year, RMWB provided the Library with postage services (office and administration) in the amount of \$598 (\$350 in 2020) and an operating grant (Note 10) for \$3,782,480 (\$4,232,480 in 2020).

These transactions are measured at the exchange amount, which is the amount established and agreed to by the related parties.

Certain other administrative and managerial activities including the provision of payroll services are performed by the management and staff of RMWB on behalf of the Library at no charge as the amounts are not readily determinable.

#### 13. Non-monetary transactions

The Library was provided with advertising, broadcasting, and other services in exchange for sponsorship recognition. In 2021, non-monetary transactions in the statement of operations and accumulated surplus include \$33,930 of marketing and promotions expense and \$33,930 of donations and fundraising revenue (\$33,772 of advertising expense and \$33,772 of donations and fundraising revenue in 2020).

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2021

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#### 14. Local authorities pension plan

Employees of the Library participate in the Local Authorities Pension Plan (LAPP) effective January 1, 2014, which is covered by the Alberta Public Sector Pension Plans Act.

The Library is required to make current service contributions to LAPP of 9.39% (9.39% in 2020) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84% (13.84% in 2020) for the excess. Employees of the Library are required to make current service contributions of 8.39% (8.39% in 2020) of pensionable salary up to the year's maximum pensionable salary and 12.84% (12.84% in 2020) 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 Library to LAPP are \$187,153 (\$192,035 in 2020). Total current service contributions by the employees of the Library to LAPP are \$168,774 (\$173,258 in 2020). These amounts are included in salaries and wages.

LAPP reported a surplus for the overall plan as at December 31, 2020, of \$4,961,337,000. Information as at December 31, 2021, is not available at the time of preparing these financial statements.

#### 15. Economic dependence

The Library's primary source of funding for operations is RMWB. The Library's ability to continue viable operations is dependent on this funding.

#### 16. Budget

The 2021 budget was approved by the Board of Directors on October 21, 2020. Budget amounts for 2021 were approved on amortized cost basis. Fair value changes were not budgeted.

Financial Statements of  
**WOOD BUFFALO ECONOMIC  
DEVELOPMENT CORPORATION**  
Year Ended December 31, 2021

Financial Statements of  
**WOOD BUFFALO ECONOMIC DEVELOPMENT  
 CORPORATION**

Year Ended December 31, 2021

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Wood Buffalo Economic Development Corporation (WBEDC) are the responsibility of the WBEDC'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 WBEDC are described in Note 2 to the financial statements. The preparation of 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 WBEDC'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 financial statements. These systems are monitored and evaluated by management.

The Board of Directors met with management and the external auditors to discuss the financial statements and any significant financial reporting or internal control matters prior to the Board of Directors approval of the financial statements.

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

For: Wood Buffalo Economic Development Corporation

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Kevin Weidlich  
CEO, WBEDC

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION****Statement of Financial Position**

December 31, 2021

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 4,501,520	\$ 2,340,280
Accounts receivable (Note 3)	236,169	98,792
Investments (Note 4)	8,433,759	8,315,769
	13,171,447	10,754,841
<b>Non-financial assets</b>		
Tangible Capital Assets (Note 5)	243,200	267,855
	243,200	267,855
<b>Total Assets</b>	<b>\$ 13,414,648</b>	<b>\$ 11,022,695</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Current accounts payable and accrued liabilities	\$ 401,151	\$ 8,557
Deferred Revenue (Note 6)	397,668	382,239
Due to related parties (Note 7)	5,980,585	2,856,333
<b>Total Liabilities</b>	<b>6,779,404</b>	<b>3,247,129</b>
<b>Net Assets</b>		
Unrestricted surplus	156,019	210,394
Economic Development Initiatives Fund (EDIF)(Note 8)	6,479,225	7,565,172
<b>Accumulated Surplus</b>	<b>6,635,244</b>	<b>7,775,566</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,414,648</b>	<b>\$ 11,022,695</b>

See accompanying notes to financial statements.

Approved by:

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 Board Chair

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION**  
**Statement of Operations**

For the Year Ended December 31, 2021

	2021	2020
<b>Revenue:</b>		
Government contributions (Note 9)	4,747,186	4,622,635
Returns on investments	171,146	228,106
Donations	3,920	56,043
Other revenue	57,701	65,987
	<u>4,979,953</u>	<u>4,972,772</u>
<b>Expenses:</b>		
Salaries, wages and benefits (Note 10)	2,656,652	2,687,204
Economic Development Initiatives (Note 8)	1,221,094	392,954
Marketing expenses	1,106,841	802,847
General services	847,869	718,393
Materials, goods, and supplies	183,610	149,365
Amortization expense	81,067	-
Bank charges and interest	22,758	26,051
Other expenses	385	-
	<u>6,120,275</u>	<u>4,776,814</u>
 Annual Surplus (Deficit)	 (1,140,322)	 195,958

See accompanying notes to financial statements.

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION**  
**Statement of Changes in Net Assets**

For the Year Ended December 31, 2021

	Unrestricted Surplus	Internally Restricted - EDIF	2021	2020
<b>Balance, beginning of year</b>	\$ 210,394	\$ 7,565,172	\$ 7,775,566	\$ 7,579,608
Annual Surplus (Deficit)	(54,375)	(1,085,947)	(1,140,322)	195,958
Internally imposed restrictions - EDIF additions	(135,147)	135,147	-	-
Internally imposed restrictions - EDIF drawdowns	1,221,094	(1,221,094)	-	-
Internally imposed restrictions - EDIF net (note 8)	1,085,947	(1,085,947)	-	-
<b>Balance, end of year</b>	\$ 156,019	\$ 6,479,225	\$ 6,635,244	\$ 7,775,566

See accompanying notes to financial statements.

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION****Statement of Cash Flows**

For the Year Ended December 31, 2021

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating:</b>		
Annual Surplus (Deficit)	\$ (1,140,322)	\$ 195,958
Non-cash items included in annual surplus		
Amortization Expense	81,067	-
Changes in non-cash operating working capital items		
Accounts receivable	(137,377)	6,896
Accounts payable and accrued liabilities	392,594	(100,375)
Deferred revenue	15,429	382,239
Cash used for operating transactions	(788,610)	484,716
<b>Capital:</b>		
Acquisition of tangible capital assets	(56,412)	(267,855)
Cash used for investing activities	(56,412)	(267,855)
<b>Investing</b>		
Cash used in investing activities	(117,990)	(186,910)
Cash applied to investing transactions	(117,990)	(186,910)
<b>Financing</b>		
Advances from (to) related parties	3,124,252	(390,464)
Cash provided by financing transactions	3,124,252	(390,464)
<b>Change in cash during the year</b>	2,161,240	(360,511)
<b>Cash, beginning of year</b>	2,340,280	2,700,790
<b>Cash, end of year</b>	\$ 4,501,520	\$ 2,340,280

See accompanying notes to financial statements.

## WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION

### Notes to Financial Statements

For the Year Ended December 31, 2021

#### 1. Nature of operations:

The Wood Buffalo Economic Development Corporation (the "Corporation") is a not-for-profit corporation that was incorporated on July 5, 2018, it is registered in the Province of Alberta as a Part 9 (not for profit company) under the Companies Act and is not subject to any federal or provincial taxes. Wood Buffalo Economic Development Corporation operates under the registered tradename Fort McMurray Wood Buffalo Economic Development & Tourism. The Corporation was established by the Regional Municipality of Wood Buffalo to provide economic development services within the Municipality. The Regional Municipality of Wood Buffalo provides contributions to the Corporation on an annual basis to support the Corporation's activities.

The Corporation has two members -

The Regional Municipality of Wood Buffalo (the "Municipality") and  
Chief Administration Officer of the Regional Municipality of Wood Buffalo

#### 2. Significant accounting policies:

The Corporation's accounting policies set out below have been applied in these financial statements (the "financial statements").

##### *Basis of Presentation*

The financial statements have been prepared by management in accordance with the PS 4200 series of the Canadian public sector accounting standards ("PSAS"). The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

##### *Revenue Recognition*

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the year in which the related amortization expense of the funded capital asset is recorded.

# WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION

## Notes to Financial Statements

For the Year Ended December 31, 2021

### 2. Significant accounting policies (continued):

#### *Revenue Recognition (continued)*

Contributions of materials and services that would otherwise have been purchased are recorded at their fair value. The fair value of services provided by the Municipality has been reflected in the financial statements of the Corporation, unless otherwise noted. Volunteers may assist the Corporation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

#### *Cash*

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

#### *Investments*

Portfolio investments are recorded at amortized cost.

#### *Financial Instruments*

The Corporation's financial instruments are initially recorded at fair value and subsequently measured at cost or amortized cost.

Financial assets consist of cash, accounts receivable and investments. The Corporation recognizes in the statement of operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

#### *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>
Leasehold Improvements	4

Annual amortization for 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 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.



**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION**

## Notes to Financial Statements

For the Year Ended December 31, 2021

**3. Accounts receivable:**

	2021	2020
Government of Canada	-	6,480
Government of Alberta	100,000	73,500
GST recoverable	136,169	3,812
Other receivables		15,000
	<b>\$ 236,169</b>	<b>\$ 98,792</b>

**4. Investments:**

	2021	2020
GIC	75,000	75,000
High interest saving account plus accrued interest	690,634	572,643
ATB Wealth Investment	7,668,125	7,668,125
	<b>\$ 8,433,759</b>	<b>\$ 8,315,768</b>

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION**

Notes to Financial Statements

For the Year Ended December 31, 2021

**5. Tangible capital assets**

	Leasehold Improvements	Assets Under Construction	2021	2020
<b>COST:</b>				
Balance, beginning of year	\$ -	\$ 267,855	\$ 267,855	\$ -
Acquisition of tangible capital assets	324,267	(267,855)	56,412	267,855
Disposal of tangible capital assets	-	-	-	-
Balance, end of year	<u>\$ 324,267</u>	<u>\$ -</u>	<u>\$ 324,267</u>	<u>\$ 267,855</u>
<b>ACCUMULATED AMORTIZATION:</b>				
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Annual Amortization	81,067	-	81,067	-
Accumulated Amortization on disposals	-	-	-	-
Balance, end of year	<u>\$ 81,067</u>	<u>\$ -</u>	<u>\$ 81,067</u>	<u>\$ -</u>
<b>ASSETS</b>	<u>\$ 243,200</u>	<u>\$ -</u>	<u>\$ 243,200</u>	<u>\$ 267,855</u>

**6. 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.

	2021	2020
Alberta Innovates - Regional Innovation Networks (Note 9a)	259,227	171,974
Travel Alberta - Cooperative Investment Grant - 5014 (Note 9f)	75,000	-
Travel Alberta - Product and Experience Grant - 5018 (Note 9i)	37,911	-
Province of Alberta - Labour Study - 5005 (Note 9c)	22,130	76,765
Province of Alberta - Place Brand HR Recruitment Workshops - 5013 (Note 9e)	3,400	8,500
Provincial Cares - WBEDC Website - 5002 (Note 9b)	-	125,000
RMWB Community Investment Program - 5011 (Note 9d)	-	-
	<u>\$ 397,668</u>	<u>\$ 382,239</u>

**7. Related party transactions:**

	2021	2020
Due to Regional Municipality of Wood Buffalo	\$ 5,980,585	\$ 2,856,333
	<u>\$ 5,980,585</u>	<u>\$ 2,856,332</u>

The Municipality of Wood Buffalo paid \$5,980,585 of expenses on behalf of the Corporation. Transactions between the Municipality and the Corporation are recorded at the exchange amounts established and agreed upon between the parties.

# WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION

## Notes to Financial Statements

For the Year Ended December 31, 2021

### 8. Internally Restricted Development Initiative Fund (EDIF):

		Total Commitment	2021	2020
Opening Balance		\$ 7,790,000	7,565,172	7,790,000
Interest income		-	135,147	168,125
<b>Subtotal</b>		<b>7,790,000</b>	<b>7,700,319</b>	<b>7,958,125</b>
Fort McMurray Airport Authority - Marketing	a	1,200,000	111,647	92,180
Fort McMurray Chamber of Commerce	b	664,500	204,938	99,675
Startup YMM Interior Fit-Out	c	650,000	134,732	-
Northeastern Alberta Aboriginal Business	d	554,000	134,543	83,100
Fort McMurray Construction Association	e	410,000	184,500	61,500
WBEDC Business Recovery	f	400,000	185,235	-
Community Futures Wood Buffalo	g	300,000	265,500	34,500
Keyano	h	231,000	-	-
Fort McMurray Airport Authority - CBSA Cost-Sharing	i	200,000	-	21,999
<b>Subtotal</b>		<b>4,609,500</b>	<b>1,221,094</b>	<b>392,954</b>
<b>Closing Balance</b>		<b>\$ 3,180,500</b>	<b>\$ 6,479,225</b>	<b>\$ 7,565,172</b>

In 2020, the Corporation established the Economic Development Initiatives Fund (EDIF) with three main investment criteria include: achieving economic impact, public benefit or high return on investment.

During 2021 the fund was focused on nine initiatives:

- a. In partnership with the Fort McMurray Airport Authority to support their attraction of new air service for our region.
- b. In partnership with the Fort McMurray Chamber of Commerce, FMWBEDT developed a Business Recovery Plan to address the challenges of the economic downturn, the COVID-19 pandemic, and the 2020 flood
- c. The Corporation has provided funding to Startup YMM's Tenant Fit-Out
- d. In partnership with the Northeastern Alberta Aboriginal Business Association, FMWBEDT developed a Business Recovery Plan to address the challenges of the economic downturn, the COVID-19 pandemic, and the 2020 flood.
- e. In partnership with the Fort McMurray Construction Association, FMWBEDT developed a Business Recovery Plan to address the challenges of the economic downturn, the COVID-19 pandemic, and the 2020 flood.
- f. FMWBEDT developed a Business Recovery Plan to address the challenges of the economic downturn, the COVID-19 pandemic, and the 2020 flood.
- g. In partnership with Community Futures Wood Buffalo, FMWBEDT developed a Business Recovery Plan to address the challenges of the economic downturn, the COVID-19 pandemic, and the 2020 flood.
- h. The Corporation has committed funding to Keyano College
- i. In partnership with the Fort McMurray Airport Authority to support their customs and border services.

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION**

Notes to Financial Statements

For the Year Ended December 31, 2021

**9. Government contributions:**

Grant Name	Grant Value	2021	2020
		Recognized Value	Recognized Value
Alberta Innovates - Regional Innovation Networks (a)	570,000	235,947	74,826
Provincial Cares - WBEDC Website (b)	125,000	125,000	-
Province of Alberta - Labour Study (c)	100,000	53,825	24,045
Regional Municipality of Wood Buffalo Community Investment Program (d)	4,200,000	4,200,000	-
Province of Alberta - Place Brand HR Recruitment Workshops (e)	73,500	5,100	65,000
Travel Alberta - Cooperative Grant (f)	75,000	-	-
Canada-Alberta Job Grant (g)	15,225	15,225	-
WD- Microbusiness pilot program (h)	100,000	100,000	-
Travel Alberta Product and Experience Grant (i)	50,000	12,089	-
Government of Alberta - Oil Sands Discovery Center Master Agreement (j)	27,048	-	27,048
	<u>5,335,773</u>	<u>4,747,186</u>	<u>190,919</u>

*(a) Alberta Innovates - Regional Innovation Networks - 5001*

The Province of Alberta through Alberta Innovates provides funding to support Regional Innovation Networks (RINs) program to accelerate technology and knowledge based small and medium-sized enterprises by increasing connectivity and coordination in Alberta's innovation ecosystem, contributing to entrepreneur and company development through programs and services, and strengthening the entrepreneurial culture. The grant term is from March 5, 2020 to March 31, 2022. During 2021 the corporation recognized \$235,947 (2020 \$74,826)

*(b) Provincial Cares - WBEDC Website - 5002*

The Province of Alberta through provides funding for Website Development. The grant term is from March 30, 2020 to March 31, 2022. During 2021 the corporation recognized \$125,000 (2020 - nil)

*(c) Province of Alberta - Labour Study - 5005*

The Province of Alberta has provided the Corporation \$100,000 through Indigenous Workforce Partnerships and Employer Services Grant for a Labour Study project. The grant term is from March 1, 2020 to January 31, 2021. During 2021, the Corporation recognized 53,825 (2020 \$24,045)

*(d) Regional Municipality of Wood Buffalo Community Investment Program - 5011*

The Regional Municipality of Wood Buffalo Community Investment Program (CIP) supports a broad spectrum of programs and services by providing grant funding and agreements to community groups and non-profit organizations. The grant term is from January 1, 2021 to December 31, 2021. During 2021, the Corporation received and recognized \$4,200,000

*(e) Province of Alberta - Place Brand HR Recruitment Workshops - 5013*

The Province of Alberta has provided the Corporation support for Labour Attraction Workshops through the Minister of Labour and Immigration. The grant term is from November 5, 2020 to Jun 30, 2021. During 2021, the Corporation recognized \$5,100 (2020 \$65,000)

*(f) Travel Alberta - Cooperative Investment Grant - 5014*

Travel Alberta has provided support to the Corporation for 2 projects - Partnership Marketing and Product Development & Asset Development under the Cooperative Investment Grant. The grant term is from April 1, 2021 to March 31, 2022. During 2021, the Corporation recognized \$ nil

**WOOD BUFFALO ECONOMIC DEVELOPMENT CORPORATION**

## Notes to Financial Statements

For the Year Ended December 31, 2021

*(g) Canada-Alberta - Job Grant - 5016*

Canada has agreed to make a contribution towards the costs of the Job(s) under Canada Summer Jobs program and has provided support to the Corporation. During 2021, the Corporation received and recognized \$15,225

*(h) WD- Microbusiness pilot program -5017*

The Corporation received a grant will develop a pilot program to provide training and support to home-based microbusinesses in Fort McMurray. The grant term is from April 1, 2021 to February 28, 2022. During 2021, the Corporation received and recognized \$100,000

*(i) Travel Alberta - Product and Experience Grant - 5018*

Travel Alberta has provided support to the Corporation for Covid 19 relief through the Explore Wood Buffalo Covid 19 Operational Relief program. The grant term is from February 18, 2021 to March 31, 2022. During 2021, the Corporation recognized \$12,089

*(j) Government of Alberta - Oil Sands Discovery Center Master Agreement*

The Province of Alberta through the Minister of Culture and the Minister of Infrastructure provides funding to support operation of the Oil Sands Discovery Center. During 2021, the Corporation recognized \$ nil, (2020 \$27,809)

**10. Salaries, wages and benefits:**

	2021	2020
Salaries and Wages	\$ 2,207,301	\$ 2,066,860
Other payroll costs and benefits	449,351	620,345
Total Salaries and Wages	<u>\$ 2,656,652</u>	<u>\$ 2,687,204</u>

During the fiscal year the corporation employed 26 people. The total Salary and Wages line item includes all salaries, benefits, and temporary contracts. In 2021, staffing fluctuated due to medical and maternity leaves and related backfilling of certain positions.

**11. Subsequent events:**

The Regional Municipality of Wood Buffalo provides contributions to the Corporation on an annual basis to support the Corporation's activities. Subsequent to year end, the Council of the Regional Municipality of Wood Buffalo denied the 2022 funding request from the Corporation. Given the significance of the funding, it is unclear if the Corporation can continue operations with current resources and therefore this subsequent event forms a material uncertainty that may raise significant doubt regarding the Corporation's ability to continue as a going concern. The Corporation is evaluating options.

These financial statements were prepared on a going concern basis. The going concern basis of accounting assumes that the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

These financial statements do not reflect the adjustments and classifications in the statement of financial position that might be necessary to the carrying amount of the reported assets, liabilities, revenues and expenses, and balance sheet classifications used if the Corporation was unable to continue operations in accordance with this assumption. Such adjustments may be material.

**12. Approval of financial statements:**

These financial statements were approved by Management and presented for approval to the WBEDC Board of Directors on April 1st, 2022.

Consolidated Financial Statements of

# **WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION**

Year ended December 31, 2021



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# Independent Auditor's Report

To the Board of Directors of Wood Buffalo Housing & Development Corporation

We have audited the accompanying consolidated financial statements of Wood Buffalo Housing & Development Corporation, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and the results of its operations, changes in net 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 Organization 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 for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Organization'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 Organization'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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The signature is written in a cursive, handwritten style. It reads "Deloitte" followed by a space and then "LLP".

Chartered Professional Accountants  
March 22, 2022

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Wood Buffalo Housing & Development Corporation (the "Corporation") are the responsibility of the Corporation'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 Corporation are described in Note 2 and 3 to the consolidated financial statements. The preparation of the 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 Corporation'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 the preparation of the consolidated financial statements. These systems are monitored and evaluated by the management.

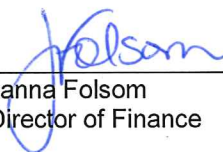
The Board of Directors meet with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to the Board of Directors' approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Corporation. The accompanying independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's consolidated financial statements.



Henry Hunter  
President/CEO

March 22, 2022



Janna Folsom  
Director of Finance

March 22, 2022

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Financial Statements  
Year ended December 31, 2021

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## Consolidated Financial Statements

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# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Financial Position  
As at December 31, 2021

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,304,613	\$ 7,098,817
Portfolio investments (Note 3)	25,592,929	35,949,764
Accounts receivable	1,986,531	1,976,507
Contributions receivable (Note 4)	-	50,250
Prepaid expenses and deposits	1,184,066	1,273,885
	36,068,139	46,349,223
Non-current assets:		
Mortgages, notes, and other receivables (Note 5)	4,243,015	4,305,678
Property and equipment (net) (Note 6)	227,011,220	234,619,314
Restricted cash (Note 7)	16,227,783	16,158,561
	\$ 283,550,157	\$ 301,432,776
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	\$ 2,792,229	\$ 3,407,091
Prepaid rent and deposits	1,652,178	1,534,876
Current portion of deferred contributions (Note 9)	3,212,914	2,359,037
Current portion of right holder agreements (Note 10)	99,200	99,200
Current portion of long-term debt (Note 11)	3,497,468	3,911,009
	11,253,989	11,311,213
Non-current liabilities:		
Deferred contributions (Note 9)	51,480	56,520
Rights holder agreements (Note 10)	875,200	974,400
Long term debt (Note 11)	54,782,310	69,068,235
Unamortized external capital contributions (Note 12)	89,750,716	93,161,863
	156,713,695	174,572,231
Contractual obligations and contingencies (Note 14)		
Net assets:		
Unrestricted	33,282,407	44,565,079
Invested in property and equipment	79,430,725	68,478,206
Restricted (Note 13)	14,123,330	13,817,260
	126,836,462	126,860,545
	\$ 283,550,157	\$ 301,432,776

See accompanying notes and schedules to the consolidated financial statements.

On behalf of the Board :

 Director  Director

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Financial Position  
As at December 31, 2021

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,304,613	\$ 7,098,817
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	\$ 283,550,157	\$ 301,432,776

See accompanying notes and schedules to the consolidated financial statements.

On behalf of the Board :

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Operations  
Year ended December 31, 2021

	Budget (Note 20)	2021	2020
Revenues:			
Property sales (expenses) under affordable home ownership	\$ (87,391)	\$ (85,581)	\$ 459,402
Costs of sales under affordable home ownership	-	-	682,989
Net loss on sale of properties under affordable home ownership	(87,391)	(85,581)	(223,587)
Rental properties revenues	12,696,904	14,391,720	14,121,883
Rent supplement revenue (Note 9)	3,800,000	3,528,886	4,265,030
Amortization of external capital contributions (Note 12)	3,266,188	3,416,187	3,234,286
Other income	1,791,154	2,112,493	1,869,118
Municipal requisitions	1,888,692	2,072,874	1,888,137
Operating grants, contributions, donations (Note 9)	2,000,547	1,758,402	1,972,917
Interest income	435,809	515,815	1,091,798
Amortization of right holder agreements (Note 10)	99,200	99,200	99,200
Total revenues	25,891,103	27,809,996	28,318,782
Operating expenses:			
Amortization	6,544,327	6,541,385	6,575,802
Utilities	3,909,997	4,088,048	3,733,557
Wages and benefits	4,001,729	3,961,854	4,027,243
Repairs and maintenance	3,999,898	2,493,816	2,717,761
Insurance	1,924,020	1,756,195	1,454,103
Interest on long-term debt	1,832,081	1,749,411	2,332,231
Rental properties operating expenses	2,256,193	1,737,674	2,430,064
Rent supplement transfers to other landlords	1,140,000	1,085,216	1,167,500
Property taxes	1,131,880	853,071	1,077,962
Office and administrative	502,136	697,798	399,867
	27,242,261	24,964,468	25,916,090
General and administration expenses (income):			
Wages and benefits	2,044,203	2,114,749	2,429,139
Office and administrative	690,953	415,469	469,672
Expenses for Covid-19 pandemic (Note 15)	474,444	218,019	328,452
Amortization	67,564	64,423	211,374
Insurance	40,176	40,046	36,485
Loss (gain) on disposal of property and equipment	-	15,290	(6,536)
Expenses for flood remediation (Note 6)	-	1,615	4,324,557
Loss on investment in long-term lease (Note 5)	-	-	768,673
Expenses for wildfire remediation and recovery (Note 6)	-	-	48,756
Insurance proceeds for flood remediation (Note 6)	-	-	(4,243,364)
	3,317,340	2,869,611	4,367,208
Total expenses	30,559,601	27,834,079	30,283,298
Deficiency of revenues over expenditures	\$ (4,668,498)	\$ (24,083)	\$ (1,964,516)

See accompanying notes and schedules to the consolidated financial statements.



# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Changes in Net Assets  
As at December 31, 2021

2021					
	Unrestricted	Invested in property and equipment	Restricted (Note 13)	Total	
Balance, beginning of year	\$ 44,565,079	\$ 68,478,206	\$ 13,817,260	\$ 126,860,545	
Deficiency of revenues over expenditures	(24,083)	-	-	(24,083)	
Invested in property and equipment (net)	(10,952,519)	10,952,519	-	-	
Restricted (Note 13)	(306,070)	-	306,070	-	
Balance, end of year	\$ 33,282,407	\$ 79,430,725	\$ 14,123,330	\$ 126,836,462	

2020					
	Unrestricted	Invested in property and equipment	Restricted (Note 13)	Total	
Balance, beginning of year	\$ 47,877,986	\$ 67,622,240	\$ 13,324,835	\$ 128,825,061	
Deficiency of revenues over expenditures	(1,964,516)	-	-	(1,964,516)	
Invested in property and equipment (net)	(855,966)	855,966	-	-	
Restricted	(492,425)	-	492,425	-	
Balance, end of year	\$ 44,565,079	\$ 68,478,206	\$ 13,817,260	\$ 126,860,545	

See accompanying notes to the consolidated financial statements.



# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Consolidated Statement of Cash Flows  
Year ended December 31, 2021

	2021	2020
Operating:		
Deficiency of revenues over expenditures	\$ (24,083)	\$ (1,964,516)
Items not involving cash:		
Loss (gain) on disposal of property and equipment	15,290	(6,536)
Loss on investment in long-term lease (Note 5)	-	768,673
Amortization of property and equipment	6,605,808	6,787,176
Amortization of external capital contributions	(3,416,187)	(3,234,286)
Amortization of right holder agreements	(99,200)	(99,200)
Investment income	(343,165)	(707,847)
Non-cash changes in mortgages receivable (Note 2)	85,581	193,098
Change in non-cash operating working capital (Note 17)	475,137	(161,773)
	3,299,181	1,574,789
Financing:		
Deferred capital contributions	6,185	9,752
External capital contributions	5,040	5,040
Repayment of demand loan and long-term debt	(14,699,466)	(3,756,989)
	(14,688,241)	(3,742,197)
Capital:		
Proceeds from disposal of property and equipment	1,045,213	6,536
Purchase of property and equipment	(58,217)	(35,613)
	986,996	(29,077)
Investing:		
Advances of mortgages, notes and other receivables	-	(85,400)
Return of principal repayments of mortgages receivable	(98,707)	(113,681)
Repayments of mortgages, notes and other receivables (Note 2)	75,789	290,686
Divestiture of portfolio investments (Note 3)	10,700,000	-
Increase in restricted cash	(69,222)	(483,302)
	10,607,860	(391,697)
(Decrease) increase in cash and cash equivalents	205,796	(2,588,182)
Cash and cash equivalents, beginning of year	7,098,817	9,686,999
Cash and cash equivalents, end of year	\$ 7,304,613	\$ 7,098,817
Supplemental cash flow information:		
Interest paid	\$ 1,749,411	\$ 2,332,231
Interest received	\$ 515,815	\$ 1,091,798

See accompanying notes to the consolidated financial statements.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 1. Nature of Operations

Wood Buffalo Housing & Development Corporation (the "Corporation") is incorporated under the Companies Act (Alberta) as a not-for-profit Part IX corporation. The corporate structure consists of two members:

The Regional Municipality of Wood Buffalo  
Chief Administrative Officer of the Regional Municipality of Wood Buffalo

The Corporation operates housing and is involved in land development activities in the Regional Municipality of Wood Buffalo. As part of these activities, the Corporation offers equity and affordability programs to facilitate homeownership for qualifying families within the Regional Municipality of Wood Buffalo. In order to qualify for the programs, families must meet certain pre-established criteria. Employees of the Corporation may take advantage of the equity and affordability programs and are subject to similar qualification criteria as the general public.

In addition, the Corporation manages, administers and maintains the Rotary House Lodge, the Ayabaskaw Lodge (the "Lodge Funds"), Araubasca House and Legion Manor Seniors Housing Projects in accordance with the requirements of the Alberta Housing Act and its regulations. In addition, the Province of Alberta appointed and authorized the Corporation to manage, administer and maintain certain housing accommodations (the "Provincial Operations") in accordance with the requirements of the Alberta Housing Act and its regulations.

## 2. Significant accounting policies

The Corporation's accounting policies set out below have been applied consistently to all disclosures presented in these consolidated financial statements (the "financial statements") and reflect the following:

### (a) Basis of presentation

The financial statements have been prepared by management in accordance with the PS 4200 series of the Canadian public sector accounting standards ("PSAS"). The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

The financial statements include the accounts of the Corporation and its controlled not-for-profit organization, Condominium Corporation No. 062 2570, operating as Meadow Creek Village ("MCV"). MCV is a condominium corporation registered under the Condominium Property Act (Alberta). MCV is a not-for-profit corporation under the Income Tax Act and as such is not subject to federal or provincial income taxes.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 2. Significant accounting policies (continued)

### (b) Controlled not-for-profit organizations

The Corporation consolidates controlled not-for-profit organizations.

### (c) Revenue recognition

Property sales are recognized as a result of the sale of homes under the Affordable Home Ownership Program. Revenue is recognized upon execution of the legal agreements and transfer of title, which constitutes the substantial transfer of risks and rewards of ownership of a unit to the purchaser.

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.

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or benefits are conferred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire property and equipment. Amounts invested representing externally funded property and equipment are then transferred to unamortized external capital contributions. Deferred contributions related to property and equipment are recognized as revenue at the same rate as the related amortization expense of the funded property and equipment.

Contributions of property and equipment that will not be amortized are recognized as direct increases in net assets. Contributions of materials, services or other assets that would otherwise have been purchased are recorded at their fair value.

### (d) Cost allocations

The Corporation allocates general and administrative overhead expenses to programs under management, as detailed in Schedules 1 through 7, pro rata based on the number of units.

For other costs, management has used their best judgment to allocate costs to the programs to which they believe that they most properly relate.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 2. Significant accounting policies (continued)

### (e) Capitalization of costs

The Corporation capitalizes all directly attributable costs relating to properties under development, including carrying costs such as property taxes, interest on debt specifically related to the project and other costs. General and administrative overhead expenses which are not directly attributable are not capitalized.

### (f) Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and investments with original maturities of three months or less.

### (g) Portfolio investments

Portfolio investments consist of guaranteed investment certificates and other investments with maturities of one to two years, and are recorded at amortized cost using the effective interest method.

### (h) Property and equipment

Property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution.

Property and equipment are amortized over their expected useful lives using the following method and rates:

Asset	Basis	Rate
Buildings	Straight-line	25 - 40 years
Equipment	Straight-line	5 – 25 years
Computer software	Straight-line	3 years
Vehicles	Straight-line	5 years
Land improvements	Straight-line	5 years
Leasehold improvements	Straight-line	Shorter of 5 years or lease term

Land is not amortized. Buildings under development are not amortized during the development period. Amortization of buildings begins when it is 90% occupied, or once three months have lapsed from the date the Occupancy Certificate was issued, whichever occurrence takes priority, but at no time later than the mortgage take out date. Once the development period is complete, the building is amortized over the expected useful life using the rates above.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 2. Significant accounting policies (continued)

### (h) Property and equipment (continued)

Property and equipment are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services. The net write-downs are accounted for as expenses in the statement of operations.

### (i) 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 Corporation's weighted average cost of borrowing at the time the agreement is executed. The Corporation amortizes the discount recorded on the mortgages and notes receivable each year to interest income.

### (j) Financial instruments

Financial instruments are initially measured at fair value. Financial assets are subsequently recorded at cost or amortized cost. Portfolio investments in equity instruments that are quoted in an active market are subsequently recorded at fair value. The Corporation does not currently hold portfolio investments in this category. Financial assets consist of cash and cash equivalents, accounts receivable, contributions receivable and mortgages and notes receivable.

Transaction costs are recognized as part of the initial cost of financial instruments in the cost or amortized cost category. Trade-date basis of accounting is used for financial instruments.

The Corporation measures and recognizes embedded derivatives separately from the host contract when the economic characteristics and risk of the embedded derivative are not closely related to those of the host contract, when it meets the definition of a derivative and when the entire contract is not measured at fair value. Embedded derivatives are recorded at fair value. For the year ended December 31, 2021, the Corporation does not have any derivatives that were entered into, or modified, subsequent to January 1, 2013, that need to

be recorded at fair value in its financial statements nor any embedded derivatives in its contractual arrangements that must be separated from the host contract and accounted for separately.

At each financial statement date, the Corporation assesses financial assets or groups of financial assets to determine whether there is any objective evidence of impairment. If any such evidence exists, the Corporation records impairments for mortgages and notes receivable by adjusting to the lower of its cost and its estimated net recoverable value.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 2. Significant accounting policies (continued)

### (k) Measurement uncertainty

Items material to the financial statements for which measurement uncertainty exists are as follows: rates of amortization, impairment of mortgages, impairment of notes and other receivables, impairment of long-lived assets, completeness of accrued liabilities, fair value of mortgages receivable on the date of origination, timing of revenue recognition and cost allocations. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statements of operations in the year they become known.

### (l) Reclassification

Certain comparative figures have been reclassified to conform to the current year presentation.

## 3. Portfolio investments

	2021	2020
Portfolio investments	\$ 25,592,929	\$ 35,949,764

During the year, the Corporation invested excess funds in GIC's and other investments with interest rates of between 0.55% and 2.12% (2020 – between 0.55% and 2.71%), maturing at various dates, the latest of which is in September 2023. In 2021, the Corporation divested of \$10,700,000 (2020 - nil) and used these funds to repay two mortgages at their maturity.

## 4. Contributions receivable

	2021	2020
Province of Alberta:		
Alberta Seniors and Community Supports	\$ -	\$ 50,250

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 5. Mortgages, notes and other receivables

	2021	2020
Housing affordability loans, bearing interest at rates ranging from 0% to 6% per annum, compounded semi-annually, payable in monthly installments of interest only, repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees (face value - \$4,894,831 (2020 - \$5,514,440))	\$ 2,126,717	\$ 2,166,541
Home equity loans, 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 (face value - \$4,385,449 (2020 - \$4,467,823))	1,830,982	1,863,553
Demand promissory notes receivable, bearing interest at 6% per annum, with total payments including principal and interest ranging from \$153 to \$449 per month, representing a 25-year amortization period, secured by land and buildings in Conklin and Janvier (face value - \$127,674 (2020 - \$102,984))	89,886	87,287
Demand second mortgages receivable, non-interest bearing, with total payments and forgiveness ranging from \$121 to \$240 per month, representing a 25-year amortization period, secured by land and buildings in Conklin and Janvier (face value - \$300,240 (2020 - \$220,838))	195,430	188,297
	<u>\$ 4,243,015</u>	<u>\$ 4,305,678</u>



# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 5. Mortgages, notes and other receivables (continued)

The mortgages and notes receivable, which include housing affordability and home equity loans, bear interest at stated interest rates between 0% and 6%, and are assumed to have a 25-year amortization period.

Under the various agreements, the Corporation, upon payout of the equity and affordability loans, refunds any interest paid, and effectively provides an annual subsidy to the mortgage and note holders, representing the Corporation's weighted average rate of borrowing. The Corporation discounts the loans receivable at this rate and includes the income related to these discounts in property sales to portray the activities of the home ownership programs.

As part of the Conklin and Janvier mortgages and note agreements, the Corporation offers an incentive program whereby if the mortgage and note holders make 12 consecutive payments, they are entitled to receive a refund equal to 1 month worth of payments. This benefit is recorded when earned by the mortgage and note holders.

The Corporation offers a management retention home purchase assistance plan. These loans are non-interest bearing, with principal repayments of 1% per year, and a term of ten years. As part of these agreements, the Corporation offers an incentive for the employee to stay with the Corporation by forgiving a percentage of the principal as each anniversary is achieved. Upon termination of employment, the outstanding balance of the assistance loan must be repaid by the employee within 30 days. There is no such agreement in place at this time.

In 2012, the Corporation entered into a purchase agreement to acquire the land and building currently occupied by a community organization. The Corporation exercised an option to purchase the land and buildings from the owner for \$2,382,000 which had an appraised value of \$3,100,000. Concurrently, the Corporation signed a long-term lease arrangement with the community organization that included an initial lease term of 10 years with two 10-year renewal periods at a rate of \$138,000, including interest, per year throughout the term of the lease and its renewal periods. The building had an estimated remaining useful life of 25 years. In December of 2020, the community organization provided the Corporation with confirmation of its intention to vacate the premises by the end of the first lease term. Accordingly, in 2020 the nature of the lease changed resulting in the removal of the investment in long-term lease, and re-recognition of the land and building as property and equipment at its current fair value of \$1,000,070. The Corporation recorded a loss on the investment in capital lease of nil (2020 - \$768,673).

During the year, the Corporation has recorded a valuation loss related to its mortgages receivable of nil (2020 – nil). While the current unfavourable economic conditions in the region continue, the loans being paid out are not recorded at a value that is less than their recoverable value. The Corporation will review this annually.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 6. Property and equipment

2021			
	Cost	Accumulated amortization	Net book value
Land	\$ 45,929,371	\$ -	\$ 45,929,371
Buildings	255,425,527	74,778,647	180,646,880
Building equipment	1,643,100	1,295,317	347,783
Equipment	1,004,601	1,004,038	563
Computer software	1,453,649	1,453,436	213
Vehicles	531,130	531,130	-
Land improvements	283,631	283,631	-
Leasehold improvements	732,999	724,540	8,459
Land, buildings under development	77,951	-	77,951
	<b>\$ 307,081,959</b>	<b>\$ 80,070,739</b>	<b>\$ 227,011,220</b>

2020			
	Cost	Accumulated amortization	Net book value
Land	\$ 46,409,811	\$ -	\$ 46,409,811
Buildings	256,015,649	68,373,547	187,642,102
Building equipment	1,637,532	1,176,798	460,734
Equipment	1,004,601	1,003,052	1,549
Computer software	1,453,649	1,392,365	61,284
Vehicles	531,130	531,130	-
Land improvements	283,631	283,631	-
Leasehold improvements	732,999	721,188	11,811
Land, buildings under development	32,023	-	32,023
	<b>\$ 308,101,025</b>	<b>\$ 73,481,711</b>	<b>\$ 234,619,314</b>

In 2012 the Corporation purchased the land and building at 10117 King Street and leased it under a long-term lease agreement with a community organization. During the year the community organization confirmed its notice to vacate the premises at the end of the the first lease term, and as a result the nature of the lease has changed. In 2020 the Corporation re-recognized the land and building at 10117 King Street as property and equipment at its current fair value of \$1,000,070, and removed the investment in long-term lease, resulting in a loss of nil (2020 - \$768,673). During the year, the Corporation sold this property for proceeds of \$975,000, resulting in a loss of \$22,317 (2020 – nil).

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 6. Property and equipment (continued)

The Corporation owns five units of affordable housing in Fort Chipewyan. During the year, the Corporation sold one of these properties at 130 Vermillion Crescent to a community organization for \$70,213, resulting in a gain of \$7,027.

On May 3, 2016 the entire population of Fort McMurray came under a provincially imposed mandatory evacuation due to imminent threats of wildfires that eventually entered the community. The mandatory evacuation was in place until early June 2016.

As a result of this disaster, the Corporation lost 10 townhouses at its Siltstone Place property due to the fire and some physical and extensive smoke damage throughout its properties. All of these damages have been remediated through insurance. The Corporation also incurred expenses related to the evacuation, re-institution of information technology and re-settlement of tenants in their units.

On April 26, 2020, Fort McMurray was impacted by flooding resulting in close to 13,000 residents being evacuated. The buildings owned by the Corporation that were affected by this event were: Rotary House, Edgewater Court, 10117 King Street, Marshall House, Centennial House, and the Borealis Business Centre. All damages were remediated by insurance.

The Corporation has shown separately in these financial statements the insurance proceeds as approved by insurers to date, and the related significant expenses incurred. Following is a more detailed summary:

	2021	2020
<b>Insurance proceeds:</b>		
Flood claim	\$ -	\$ 4,243,364
<b>Expenses incurred :</b>		
Flood recovery and remediation	1,615	4,324,557
Wildfire - repairs and maintenance	-	48,756
	1,615	4,373,313
Excess (deficiency) of expenses over proceeds	\$ 1,615	\$ (129,949)

The Corporation has finalized all wildfire claims and all monies have been received. Proceeds of \$310,431 (2020 - \$310,431) are recorded as unearned revenue and included in accrued liabilities as final remediation work will be completed in 2022.

Insurance claims related to the flood were finalized by December 31, 2021. The Corporation has recorded insurance proceeds and claim expenses as approved by its insurers. Included in accounts receivable are proceeds of nil (2020 - \$235,431) for rental abatement claims for commercial tenants as per their lease agreements.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 7. Restricted Cash

	2021	2020
Tenant security deposits	\$ 912,931	\$ 933,529
Commercial security deposits	286,786	241,696
Externally restricted replacement reserves	6,646,608	6,254,938
Internally restricted replacement reserves	4,007,706	4,289,382
Rotary House and Ayabaskaw Lodges	2,117,881	2,199,976
Capital funds related to Parsons Creek	830,688	824,503
Alberta Seniors and Housing – rent supplement funds	1,425,183	1,414,537
	<u>\$ 16,227,783</u>	<u>\$ 16,158,561</u>

Tenant security deposits are held in trust accounts that bear interest at the Royal Bank of Canada prime rate less 1.9% (2020 – prime less 1.9%).

Reserves related to the Rotary House and Ayabaskaw Lodges, capital funds related to Parsons Creek and Alberta Seniors and Housing rent supplement funds, are restricted pursuant to funding guidelines which outline the use of funding disbursements.

During the year, the Corporation restricted an additional \$120,000 (2020 - \$120,000) for Rotary House and Ayabaskaw Lodges and transferred \$202,095 (2020 – nil) for non-recurring maintenance costs included in the Consolidated Statement of Operations.

Under the terms of the mortgage agreements with the lenders, the Corporation 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 lenders following submission of paid invoices for approved major capital repairs.

During the year the Corporation internally restricted an additional \$133,306 (2020 - \$52,834) for future capital reserves based on lifecycle studies completed on its properties and designated cash balances to fund this reserve. Funds were transferred to undertake non-recurring maintenance in the amount of \$414,982 (2020 - \$50,119). These costs are included in the Consolidated Statement of Operations.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 8. Accounts payable and accrued liabilities

	2021	2020
Trade accounts payable and accrued liabilities	\$ 2,178,677	\$ 2,823,223
Payroll obligations	588,020	558,336
Construction holdbacks	25,532	25,532
	<u>\$ 2,792,229</u>	<u>\$ 3,407,091</u>

The change in construction holdbacks has been included as a capital activity in the Consolidated Statement of Cash Flows.

Included in trade accounts payable and accrued liabilities is \$1,319 (2020 - \$332) due to the Regional Municipality of Wood Buffalo for utilities.

## 9. Deferred contributions

Changes in the deferred contributions are as follows:

	2021	2020
Balance, beginning of year	\$ 2,415,557	\$ 2,833,709
Amounts received and receivable during the year	6,141,165	5,824,835
Amounts recognized as rent supplement revenue	(3,528,886)	(4,265,030)
Amounts recognized as revenue in the year	(1,758,402)	(1,972,917)
Transferred to unamortized external capital contributions (Note 12)	(5,040)	(5,040)
Balance, end of year	<u>3,264,394</u>	<u>2,415,557</u>
Current portion of deferred contributions	<u>3,212,914</u>	<u>2,359,037</u>
	<u>\$ 51,480</u>	<u>\$ 56,520</u>

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 9. Deferred contributions (continued)

Deferred contributions are comprised of the following:

	2021	2020
Deferred operating contributions:		
Province of Alberta:		
Rent Supplement Program	\$ 2,172,095	\$ 1,266,335
Fort McMurray Allowance	119,433	158,485
Alberta Seniors & Housing	67,745	83,294
Other amounts	11,648	15,135
	2,370,921	1,523,249
Regional Municipality of Wood Buffalo:		
Sustainable Remote Housing:		
Conklin	51,480	56,520
	2,422,401	1,579,769
Deferred capital contributions:		
Alberta Affordable Housing Initiative:		
Parson's Creek	841,993	835,788
	841,993	835,788
	\$ 3,264,394	\$ 2,415,557

The sustainable remote housing grants related to the development and sale of housing in Conklin are being amortized into income over the lives of the related mortgages (see Note 5).

In October of 2019 the Corporation received notice from the Government of Alberta that funding for Marshall House Shelter would cease effective January 31, 2020. The results for Marshall House Shelter found on Schedule 4 of these financial statements represent the final operations for this program. The building has now been leased to a community organization.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 10. Rights holder agreements

The rights holders include:

Royal Canadian Mounted Police	18 units
Northern Lights Health Region	18 units
Fort McMurray School Division	18 units
Fort McMurray Roman Catholic Separate School Division	18 units
Regional Municipality of Wood Buffalo	18 units

In 2006, in exchange for contributions received by the Corporation totaling \$1,800,000 from certain entities within the Regional Municipality of Wood Buffalo (the "rights holders"), the Corporation granted rights holders the right to refer tenants for certain vacant units in a new apartment project at 101 Plamondon Drive for a 25-year period.

In 2008, in exchange for contributions received by the Corporation totaling \$640,000 from certain rights holders, the Corporation granted rights holders the right to refer tenants for certain vacant units in a new apartment project at 210 Millennium Gate for a 25-year period. The rights holders include:

Northern Lights Health Region	14 units
Greater North Central Francophone Education Regions No. 2	2 units

In 2009, in exchange for contributions received by the Corporation totaling \$40,000 from a rights holder, the Corporation granted a rights holder the right to refer tenants for certain vacant units in an apartment project at 210 Millennium Gate for a 25-year period. The rights holder is:

Greater North Central Francophone Education Regions No. 2	1 unit
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The Corporation has the sole right to accept or reject the proposed tenants based on the Corporation's pre-established criteria. The rights holders have 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 Corporation'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 Corporation can lease the unit to another tenant for a one-year lease.

The rights holders can assign or sell its 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 new terms and conditions. If the Corporation commits an act of default under the agreements, the contributions become repayable. The agreements do not convey any interest in the project land and buildings to the rights holders and regular monthly rental payments are required under any unit rented.



# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 10. Rights holder agreements (continued)

	2021	2020
Rights holder agreements, beginning of year	\$ 1,073,600	\$ 1,172,800
Amortization of rights holder agreements	(99,200)	(99,200)
Rights holder agreements, end of year	974,400	1,073,600
Current portion of rights holder agreements	(99,200)	(99,200)
	\$ 875,200	\$ 974,400

## 11. Long-term debt

	2021	2020
Commercial mortgages with weighted average interest of 2.7%, principal and interest payments of \$341,445 per month, maturities from 2022 to 2030, are secured by specific land and buildings pledged as collateral (2020 net book value - \$178,866,104; 2020 net book value - \$185,743,498)	\$ 57,829,778	\$ 72,529,244
Regional Municipality of Wood Buffalo, non-interest bearing loan with repayment due in full 1 year after completion of the 30-year amortization period of the Edgewater Court Phases 1-3 mortgages, at carrying amount	450,000	450,000
	58,279,778	72,979,244
Current portion of long-term debt	(3,497,468)	(3,911,009)
	\$ 54,782,310	\$ 69,068,235

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

The Corporation has issued letters of credit in favour of the Regional Municipality of Wood Buffalo as security for property development in the Municipality. The total value of the letters of credit outstanding at December 31, 2021 is \$377,348 (2020 - \$377,348). The letters of credit reduce the Corporation's amount it could otherwise borrow under its revolving demand loans. These letters of credit will renew annually if the work is not completed.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 11. Long-term debt (continued)

Contractual principal repayments of long-term obligations over the next five years and thereafter are as follows:

Year ending December 31:	
2022	\$ 12,152,858
2023	14,940,261
2024	2,060,857
2025	2,116,528
2026	2,173,764
2027 and thereafter	24,385,510
	<u>\$ 57,829,778</u>

Principal balances maturing would either be refinanced or paid in full at the date of maturity and are included in principal payments due in the year of maturity.

## 12. Unamortized external capital contributions

Unamortized external capital contributions represent the external funding for property and equipment additions and will be recognized as revenue in future years as the assets are amortized.

	2021	2020
Balance, beginning of year	\$ 93,161,863	\$ 96,391,109
Transferred from deferred contributions	5,040	5,040
Amounts amortized to revenue	(3,416,187)	(3,234,286)
	<u>\$ 89,750,716</u>	<u>\$ 93,161,863</u>

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 13. Restricted net assets

As a financing requirement, the Corporation has restricted replacement reserves (see Note 7). In addition, the Board of Directors has internally restricted amounts related to fully owned properties. The following amounts during the year are restricted for future capital needs:

	2020	Transfer (to) from unrestricted net assets	2021
Lodge Funds - capital replacement	\$ 2,120,623	\$ (2,742)	\$ 2,117,881
Internally restricted – owned properties	5,491,707	(132,866)	5,358,841
Externally restricted capital replacement	6,204,930	441,677	6,646,608
	\$ 13,817,260	\$ 306,070	\$ 14,123,330

## 14. Contractual obligations and contingencies

The Corporation rents its premises under an operating month-to-month basis lease agreement.

The Corporation has a number of other contractual obligations and commitments, all of which arose in the normal course of business and do not amount to significant financial obligations.

In the ordinary course of operations, various claims and lawsuits are brought against the Corporation. While it is not possible to estimate the ultimate liability, if any, with respect to pending claims and lawsuits, the Corporation's management is satisfied that they will not result in a material adverse impact on the Corporation's Consolidated Statement of Financial Position.

## 15. Covid-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic related to the COVID-19 virus. This event is significantly impacting economies on a global, national and local basis. The Corporation expects these events has had an impact on its operations. During the year, the Corporation incurred the following additional expenses related to the pandemic:

	2021	2020
Janitorial and other supplies	\$ 132,456	\$ 103,625
Wages and benefits	65,881	187,497
Office and administrative expenses	17,772	18,572
Personal protective equipment	1,910	18,758
	\$ 218,019	\$ 328,452

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 16. Related party transactions

As per corporate policy, all employees, including management personnel, are encouraged to participate in the affordable homeownership programs offered by the Corporation. Should they choose to participate, employees of the Corporation are subject to similar terms and conditions of the programs as anyone else who participates in the program.

During the year, the Corporation had various transactions during the normal course of business with the Regional Municipality of Wood Buffalo. The following table summarizes those transactions:

	2021	2020
Utilities paid by the Corporation	\$ 944,039	\$ 863,862
Property taxes paid by the Corporation	754,618	1,084,958
Municipal requisitions received by the Corporation	2,072,874	1,888,137

## 17. Changes in non-cash operating working capital

	2021	2020
Accounts receivable	\$ (10,024)	\$ (584,674)
Contributions receivable	50,250	(22,349)
Prepaid expenses and deposits	89,819	(103,627)
Real property inventory	-	658,082
Accounts payable and accrued liabilities	(614,862)	154,942
Prepaid rent and deposits	117,302	163,757
Deferred contributions	842,652	(427,904)
	\$ 475,137	\$ (161,773)

## 18. Local authorities pension plan

The Corporation's employees participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. LAPP is funded by employer and employee contributions and by investment earnings of the LAPP Fund.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 18. Local authorities pension plan (continued)

Contributions for current service are recorded as expenditures in the year in which they become due. The Corporation is required to make current service contributions to LAPP of 9.39% (2020 – 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% (2020 – 13.84%) on pensionable earnings above this amount. The Corporation's employees are required to make current service contributions of 8.39% (2020 – 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2020 – 12.84%) on pensionable salary above this amount.

Total current services contributions by the Corporation to LAPP in 2021 were \$383,943 (2020 - \$442,027). Total current service contributions by the employees of the Corporation to LAPP in 2021 were \$347,525 (2020 - \$382,380).

## 19. Financial risks and concentration of credit risk

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, contributions receivable, mortgages, notes, and other receivables, restricted cash, demand loans, accounts payable and accrued liabilities, long-term debt and amounts due to the Regional Municipality of Wood Buffalo. The Corporation is exposed to certain financial risks, including credit risk, liquidity risk, market price risk and interest rate risk as follows below.

### (a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or party to a financial instrument fails to meet its contractual obligation and arises principally from the Corporation's cash and cash equivalents, portfolio investments, accounts receivable, contributions receivable, deposits and mortgages and notes receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances recorded in these financial statements.

The Corporation manages its exposure to credit risk on cash and cash equivalents by placing these financial instruments with Canadian chartered banks along with their related investment management companies, and by holding investments that are fully guaranteed by the Credit Union Deposit Insurance Corporation.

With respect to accounts receivable and mortgages and notes receivable, the Corporation monitors the credit risk and credit rating of all customers on a regular basis. Aged receivable balances are constantly monitored and an allowance for credit losses is provided in the period in which the losses become known. Balances are considered for impairment on a case by case basis when they are over 90 days past due or if there is an indication that a customer will default.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements  
Year ended December 31, 2021

## 19. Financial risks and concentration of credit risk (continued)

### (b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due.

On a day to day basis, the Corporation reduces its liquidity risk by monitoring forecasted and actual cash flows to ensure it will have sufficient liquidity to meet its liabilities. All accounts payable and accrued liabilities are due within the current operating period. For contractual debt repayments see note 11 and for financial commitments see note 14.

### (c) Market risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in the market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. All of the Corporation's investments are carried at amortized cost.

### (d) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to interest rate risk arising primarily from fluctuations in rates on its cash and cash equivalents, demand loans and long-term debt.

The Corporation's debt is composed of fixed rate, long-term instruments and is not materially affected by short-term interest rate fluctuations. Accounts receivable, mortgages and notes receivable are also not materially affected by market interest rate fluctuations. Cash and cash equivalents of \$7,304,613 (2020 - \$7,098,817) and portfolio investments of \$25,592,929 (2020 - \$35,949,764) are affected by interest rate fluctuations. Should the interest rate increase or decrease by 0.5%, interest income would correspondingly increase or decrease by \$164,488 (2020- \$215,243).

## 20. Budget and approval of financial statements

The 2021 budget was approved by the Board of Directors on November 26, 2020. Budget amounts for 2021 were prepared on an amortized cost basis.

The 2021 budget for the controlled entity was approved by its Board of Directors on October 22, 2020. Budget amounts for 2021 were prepared on an amortized cost basis.

The 2021 financial statements were approved by the Board of Directors on March 22, 2022.

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 1 - Statement of Operations by Function  
Year ended December 31, 2021

	Budget (Note 20)	2021	2020
<b>Revenues:</b>			
General and Administration (Schedule 2)	\$ 62,400	\$ 103,693	\$ 145,468
Housing:			
Lodge Funds (Schedule 3)	3,040,633	3,175,385	3,081,235
Marshall House (Schedule 4)	-	-	329,587
Affordable Housing (Schedule 5)	18,113,270	19,923,751	20,342,434
Provincial Operations (Schedule 6)	3,292,267	2,929,617	2,993,795
	24,508,570	26,132,446	26,892,519
Financing and Sales (Schedule 7)	1,140,931	1,354,248	1,151,459
Controlled entity (Schedule 8)	241,602	323,302	274,804
	25,891,103	27,809,996	28,318,782
<b>Expenses:</b>			
General and Administration (Schedule 2)	62,400	103,602	132,271
Housing:			
Lodge Funds (Schedule 3)	2,984,389	3,076,252	3,001,578
Marshall House (Schedule 4)	-	-	339,116
Affordable Housing (Schedule 5)	22,343,239	20,282,068	21,279,802
Provincial Operations (Schedule 6)	3,270,909	2,966,451	2,955,938
	28,660,937	26,428,373	27,708,705
Financing and Sales (Schedule 7)	900,317	827,016	765,687
Controlled entity (Schedule 8)	523,903	343,766	588,368
	30,085,157	27,599,155	29,062,760
(Deficit) surplus before the undernoted items	(4,194,054)	210,841	(743,978)
Expenses for Covid-19 pandemic (Note 15)	474,444	218,019	328,452
Loss (gain) on disposal of property and equipment	-	15,290	(6,536)
Expenses for flood remediation (Note 6)	-	1,615	4,324,557
Loss on investment in long-term lease (Note 5)	-	-	768,673
Expenses for wildfire remediation and recovery (Note 6)	-	-	48,756
Insurance proceeds for flood remediation (Note 6)	-	-	(4,243,364)
Deficiency of revenues over expenditures	\$ (4,668,498)	\$ (24,083)	\$ (1,964,516)



# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 2 - General and Administration  
Year ended December 31, 2021

	Budget (Note 20)	2021	2020
Revenues:			
Operating grants and contributions	\$ 62,400	\$ 63,548	\$ 62,400
Interest income	-	39,564	47,706
Other income	-	581	35,362
	62,400	103,693	145,468
General and Administration expenses (transfer):			
Wages and benefits - administration	2,044,203	2,114,749	2,429,139
Office and administrative	690,953	415,469	469,672
Amortization	67,564	64,423	211,374
Insurance	40,176	40,046	36,485
Administrative costs transferred to other projects	(2,780,496)	(2,531,085)	(3,014,399)
	62,400	103,602	132,271
Surplus before the undernoted items	-	91	13,197
Expenses for Covid-19 pandemic (Note 15)	-	91	14,250
Recovery for wildfire remediation and recovery (Note 6)	-	-	(1,053)
Excess of revenues over expenditures	\$ -	\$ -	\$ -

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 3 - Lodge Funds  
Year ended December 31, 2021

	Budget (Note 20)	2021	2020
Revenues:			
Municipal requisitions	\$ 1,888,692	\$ 2,072,874	\$ 1,888,137
Operating grants, contributions and donations	537,933	548,560	535,200
Rental properties revenue	493,512	433,286	512,331
Amortization of external capital contributions	100,992	100,992	100,992
Other income	19,504	19,673	44,575
	3,040,633	3,175,385	3,081,235
Expenses:			
Wages and benefits	2,101,158	2,196,913	2,078,275
Rental properties operating expenses	252,969	221,658	239,498
Amortization	166,298	150,695	168,625
Utilities	112,111	136,521	131,033
Corporate allocation of administrative costs	117,612	135,254	107,221
Repairs and maintenance	101,509	106,481	202,806
Office and administrative	86,227	85,473	39,731
Insurance	46,505	43,257	34,389
	2,984,389	3,076,252	3,001,578
Surplus before the undernoted items	56,244	99,133	79,657
Expenses for Covid-19 pandemic (Note 15)	108,148	49,792	120,998
Recovery (expenses) for flood remediation (Note 6)	-	-	2,654
(Deficiency) excess of revenues over expenditures	\$ (51,904)	\$ 49,341	\$ (43,995)

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 4 - Marshall House

Year ended December 31, 2021

	Budget (Note 20)	2021	2020
Revenues:			
Operating grants, contributions and donations	\$ -	\$ -	\$ 287,893
Amortization of external capital contributions	-	-	34,202
Other income	-	-	7,492
	-	-	329,587
Expenses:			
Wages and benefits	-	-	227,741
Rental properties operating expenses	-	-	33,020
Insurance	-	-	29,662
Amortization	-	-	23,176
Utilities	-	-	13,054
Corporate allocation of administrative costs	-	-	8,334
Office and administrative	-	-	2,885
Repairs and maintenance	-	-	1,244
	-	-	339,116
Deficiency of revenues over expenditures	\$ -	\$ -	\$ (9,529)

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 5 - Affordable Housing  
Year ended December 31, 2021

	Budget (Note 20)	2021	2020
<b>Revenues:</b>			
Rental properties revenue	\$ 11,274,044	\$ 12,816,362	\$ 12,859,240
Amortization of external capital contributions	2,973,762	3,169,084	2,981,583
Rent supplement revenue	2,660,000	2,443,670	3,097,530
Other income	1,106,264	1,279,565	1,291,856
Operating grants contributions and donations	-	108,770	-
Amortization of rights holder agreements	99,200	99,200	99,200
Interest income	-	7,100	13,025
	18,113,270	19,923,751	20,342,434
<b>Expenses:</b>			
Amortization	5,964,254	6,039,451	6,015,674
Utilities	3,301,379	3,495,090	3,210,508
Repairs and maintenance	3,617,603	2,118,380	2,015,266
Corporate allocation of administrative costs	1,914,155	1,826,948	2,344,167
Interest on long-term debt	1,832,081	1,749,411	2,332,231
Insurance	1,679,480	1,518,898	1,256,836
Rental properties operating expenses	1,592,023	1,191,937	1,752,920
Wages and benefits	1,111,454	1,103,487	1,102,257
Property taxes	1,067,891	816,163	1,019,922
Office and administrative	262,919	422,303	230,021
	22,343,239	20,282,068	21,279,802
Deficit before the undernoted	(4,229,969)	(358,317)	(937,368)
Expenses for Covid-19 pandemic (Note 15)	259,720	131,110	110,520
Expenses for wildfire remediation and recovery (Note 6)	-	-	49,809
Insurance proceeds for flood remediation (Note 6)	-	-	(1,162,855)
(Recovery) expenses for flood remediation (Note 6)	-	(6,913)	1,310,418
Gain on disposal of property and equipment	-	(7,027)	(6,536)
Deficiency of revenues over expenditures	\$ (4,489,689)	\$ (475,487)	\$ (1,238,724)

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 6 - Provincial Operations

Year ended December 31, 2021

	Budget (Note 20)	2021	2020
<b>Revenues:</b>			
Rent supplement revenue	\$ 1,140,000	\$ 1,085,216	\$ 1,167,500
Operating grants, contributions and donations	1,400,214	1,037,524	1,087,424
Rental properties revenue	551,341	602,066	507,179
Other income	200,712	204,811	231,692
	3,292,267	2,929,617	2,993,795
<b>Expenses:</b>			
Rent supplement transfers to other landlords	1,140,000	1,085,216	1,167,500
Wages and benefits	789,117	661,454	613,959
Utilities	277,960	312,032	255,651
Rental properties operating expenses	332,317	275,633	310,025
Corporate allocation of administrative costs	295,538	240,451	182,673
Repairs and maintenance	243,286	199,217	246,047
Amortization	85,217	89,287	92,372
Office and administrative	81,850	81,261	66,304
Insurance	16,866	14,342	13,066
Property taxes	8,758	7,558	8,341
	3,270,909	2,966,451	2,955,938
Surplus (deficit) before the undernoted	21,358	(36,834)	37,857
Expenses for Covid-19 pandemic (Note 15)	106,576	37,026	82,684
Insurance proceeds for flood remediation (Note 6)	-	-	(541,893)
(Recovery) expenses for flood remediation (Note 6)	-	(601)	583,417
Deficiency of revenues over expenditures	\$ (85,218)	\$ (73,259)	\$ (86,351)

# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 7 - Financing and Sales  
Year ended December 31, 2021

	Budget (Note 20)	2021	2020
<b>Revenues:</b>			
Property sales (expenses) under affordable home ownership	\$ (87,391)	\$ (85,581)	\$ 459,402
Cost of sales under affordable home ownership	-	-	682,989
Net loss on sale of properties under affordable home ownership	(87,391)	(85,581)	(223,587)
Rental properties operating income	363,007	533,636	239,549
Interest income	433,659	455,610	1,006,272
Other income	240,222	304,472	11,716
Amortization of external capital contributions	191,434	146,111	117,509
	1,140,931	1,354,248	1,151,459
<b>Expenses:</b>			
Corporate allocation of administrative costs	453,191	328,432	372,004
Amortization	295,945	229,339	243,342
Utilities	19,547	85,071	17,287
Insurance	60,319	80,755	43,011
Office and administrative	6,140	58,676	10,912
Property taxes	55,175	29,309	49,663
Repairs and maintenance	-	11,245	6,162
Rental properties operating expenses	10,000	4,189	18,295
Wages and benefits - administration	-	-	5,011
	900,317	827,016	765,687
Surplus before the undernoted	240,614	527,232	385,772
Loss on disposition of assets	-	22,317	-
Expenses for flood remediation (Note 6)	-	9,129	2,428,068
Loss on investment in long-term lease (Note 5)	-	-	768,673
Insurance proceeds for flood remediation (Note 6)	-	-	(2,538,616)
Excess (deficiency) of revenues over expenditures	\$ 240,614	\$ 495,786	\$ (272,353)

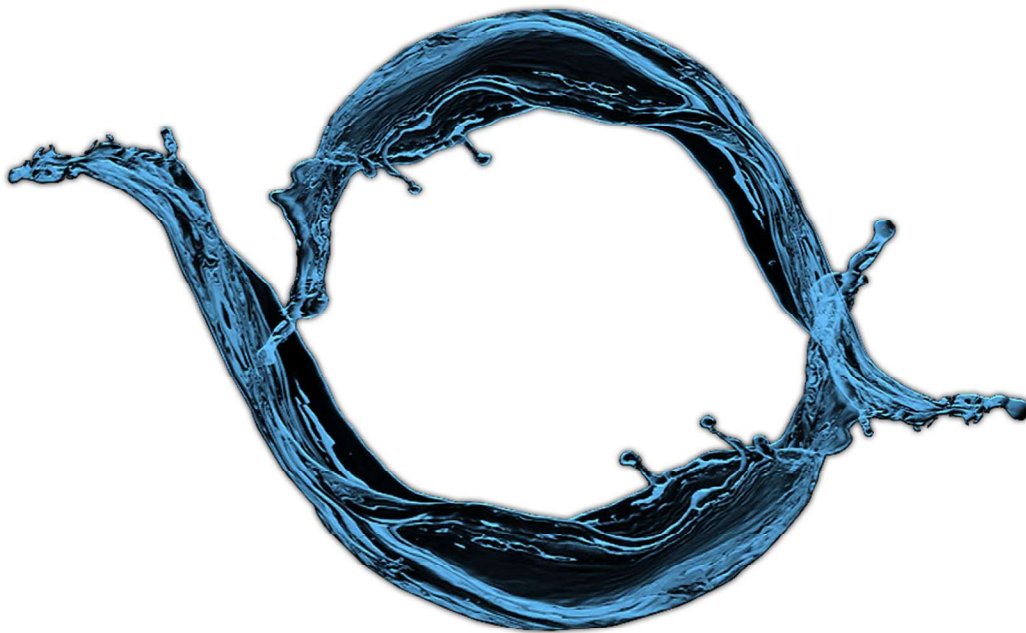
# WOOD BUFFALO HOUSING & DEVELOPMENT CORPORATION

Schedule 8 - Controlled Entity, Condominium Corporation No. 062 2570

Year ended December 31, 2021

	Budget (Note 20)	2021	2020
Revenues:			
Other income	\$ 224,452	\$ 303,391	\$ 246,425
Interest income	2,150	13,541	24,795
Rental properties operating income	15,000	6,370	3,584
	241,602	323,302	274,804
Expenses:			
Insurance	120,850	98,943	77,139
Utilities	199,000	59,334	106,024
Repairs and maintenance	37,500	58,493	246,236
Office and administrative	65,000	50,085	50,014
Rental properties operating expenses	68,884	44,257	76,306
Amortization	32,613	32,613	32,613
Property taxes	56	41	36
	523,903	343,766	588,368
Deficiency of revenues over expenditures	\$ (282,301)	\$ (20,464)	\$ (313,564)





**The Regional Municipality of  
Wood Buffalo**  
Report to Council on the 2021 audit

To be presented on  
April 12, 2022

April 6, 2022

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

## **Report on the audited annual consolidated 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 2021 fiscal year. This report summarizes the scope of our audit, our findings 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 1 of this report.

As agreed in our master service agreement dated October 15, 2016, and any subsequent confirmation of changes letters, we have performed an audit of the consolidated financial statements of the Municipality as of and for the year ended December 31, 2021, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and expect to issue our audit report thereon dated April 12, 2022 once you have approved the consolidated financial statements and we complete any outstanding audit procedures up to the date of your approval.

Our audit has been conducted in accordance with the audit plan that was presented to the Municipality at the meeting on October 26, 2021.

This report is intended solely for the information and use of Council, 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,



Chartered Professional Accountants

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Appendix 2 – Summary of uncorrected financial statement misstatements and summary of disclosure items passed	9
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# Executive summary



## Audit scope and terms of engagement

We have been asked to perform an audit of the Municipality's consolidated financial statements (the "financial statements") prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as at and for the year ended December 31, 2021. 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. We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level.

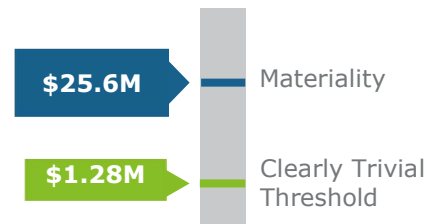


## Significant risks

- 1 Presumed risk of fraud relating to revenue recognition
- 2 Management override of controls
- 3 Existence, completeness, classification and valuation of Tangible Capital Assets ("TCA")
- 4 Completeness and accuracy of deferred revenue
- 5 Completeness and cut-off of accounts payable, accruals, contractual obligations disclosed and commitments



## Materiality and uncorrected misstatements



Materiality levels are determined on the basis of total expenses. Our final materiality for the year ended December 31, 2021 was \$25.6M (2020- \$25.5M). A summary of uncorrected misstatements above the clearly trivial threshold can be found in Appendix 2.



## Outstanding Matters & Next Steps

**Receipt and review** of final version of the financial statements and the consolidation workbook

**Receipt** of signed Management representation letter and approval of consolidated financial statements

**Completion** of our subsequent events procedures

**Completion and Receipt** of evidence to complete testing and documentation of TCA and deferred revenue

**Final** audit partner review of select working papers

**Completion** of the engagement quality control review



## Results

No restrictions have been placed on the scope of our audit. We intend to issue an unmodified audit report on the financial statements of the Municipality for the year ended December 31, 2021 once the outstanding matters referred to are completed satisfactorily and the financial statements are approved by Council

# Significant audit risks and events

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

## Significant risk dashboard

### Legend



Significant level of management judgment involved




Minimal/No management judgment involved

**D+I:** Planned testing of the design and implementation of key controls

### Resumed Risk of Fraud Relating to Revenue Recognition

Fraud Risk	Control Testing Planned	Level of management judgement	Specialist, Expert or Innovation Involvement
Yes	D+I		Deloitte visualization analytic tools were used to assess the tax roll in the year
Analysis of risk		Audit Response and Results	
<p>Under Canadian GAAS, we are required to evaluate the risk of fraud in revenue recognition. We have evaluated the revenue transactions, and we have concluded that the significant risk is in the following areas:</p> <ul style="list-style-type: none"> <li>Recognition of revenues based on the underlying funding agreements.</li> <li>Government transfers have not been recognized in circumstances where the specified conditions have been met.</li> <li>Recognition of government transfers in the incorrect period</li> </ul> <p>This represents a fraud risk for the 2021 audit as estimates for contracts of this nature can be extremely complex and subjective.</p>		<ul style="list-style-type: none"> <li>We evaluated the design and implementation of the internal controls that address this risk. We did not rely on controls.</li> <li>We reviewed the revenue recognition policy for compliance with PSAS.</li> <li>We use our visualization tool to test property taxes based on approved rates and identify any outliers</li> <li>We reviewed a sample of revenue transactions and revenue generating agreements to ensure the revenue is recognized in accordance with the policy and PSAS.</li> <li>We reviewed grant agreements to ensure funds were used for their intended purpose and that revenue was recognized in the appropriate period.</li> <li>We reviewed provincial and municipal contributions received during the year and ensure the amounts were appropriately recorded</li> <li>Tested the accuracy and completeness of the tax roll</li> </ul> <p>We obtained sufficient audit evidence to conclude that there were no material misstatements.</p>	

**Management override of controls**

Fraud Risk	Control Testing Planned	Level of management judgement	Specialist, Expert or Innovation Involvement
Yes	D+I		Artificial intelligence spotlight tool was used to perform journal entry testing.
Analysis of risk		Audit Response and Results	
<ul style="list-style-type: none"> <li>Under Canadian GAAS, it is the responsibility of the 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.</li> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>We discussed fraud with management.</li> <li>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.</li> <li>We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.</li> <li>We used our Spotlight tool to identify journal entries with specific characteristics for testing.</li> <li>We evaluated the business rationale for any significant unusual transactions.</li> <li>We determined whether the judgements and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.</li> </ul> <p>We obtained sufficient audit evidence to conclude that there were no material misstatements.</p>	

**Existence, Completeness, Classification and Valuation of TCA**

Fraud Risk	Control Testing Planned	Level of management judgement	Specialist, Expert or Innovation Involvement
No	D+I		Not applicable.
Analysis of risk		Planned audit response	
<p>There is a risk that TCA are not moved from the asset under construction account when a project is substantially complete and amortization expense is not appropriately recorded.</p> <p>Further, there is a risk that capital projects are not assessed for indicators of impairment and remain on the balance sheet even if the project is not going to be completed.</p> <p>The TCA processes and the ability of these processes to address the ongoing financial reporting requirements to the Municipality continue to represent a significant risk.</p>		<ul style="list-style-type: none"> <li>We reviewed the Municipality's TCA policies for compliance with PSAS and consistency of application year over year.</li> <li>We reviewed the Municipality's current year transactions, adjustments and related disclosures.</li> <li>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.</li> <li>We reviewed the amortization rates and useful lives as well as the application of rates.</li> <li>We reviewed management's assessment of indicators of impairment, including TCA affected by the wildfire and flooding.</li> <li>We reviewed general and administrative costs capitalized during the year to assess whether costs</li> </ul>	

### Existence, Completeness, Classification and Valuation of TCA

should have been capitalized instead of being expensed.

- We tested a sample of capital additions recorded as betterments to confirm they were appropriately treated as capital rather than expense 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.

A summary of uncorrected financial statement misstatements identified during the above testing are included in Appendix 2.

### Completeness and Accuracy of Deferred Revenue

Fraud Risk	Control Testing Planned	Level of management judgement	Specialist, Expert or Innovation Involvement
No	D+I		Not applicable.

Analysis of risk	Planned audit response
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.	<ul style="list-style-type: none"> <li>• We reviewed deferred revenue for compliance with PSAS.</li> <li>• We tested a sample of expenditures and ensured that related revenue had been recognized appropriately.</li> <li>• We reviewed federal and provincial transfer payments received during the year to fund specific projects.</li> <li>• We reviewed the related funding agreements to ensure funds were used for their intended purpose and that revenue was recognized in the appropriate period.</li> </ul>
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.	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

Fraud Risk	Control Testing Planned	Level of management judgement	Specialist, Expert or Innovation Involvement
No	D+I		Not applicable.

Analysis of risk	Planned audit response
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.	<ul style="list-style-type: none"> <li>• We reviewed management's assessment of liabilities and commitments required to be recorded or disclosed under agreements entered in the year.</li> <li>• We reviewed a sample of funding contracts entered into in the year to audit management's treatment.</li> <li>• We tested disbursements made subsequent to year-end so as to ensure they have been accrued for in the correct period.</li> <li>• We confirmed year-end accounts payable balances with significant suppliers.</li> <li>• We tested a sample of reconciliations between supplier statements and sub ledger.</li> <li>• We reviewed management's process to reconcile and record manual electronic fund transfers, transactions, accounts payable and purchase order transactions recorded through "holding" accounts.</li> <li>• We reviewed the Municipality's process to ensure the completeness of contracts entered into.</li> <li>• Held inquiries with personnel independent of finance to identify unrecorded contractual agreements or contingent liabilities.</li> </ul> <p>We obtained sufficient audit evidence to conclude that there were no material misstatements.</p>

### Group Audit

We are the 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. We have completed all stand-alone audits in accordance with our audit service plans.

# Appendix 1 – Communication requirements and other reportable matters

Required communication	Reference	Refer to this report or document described below
<b>Audit Service Plan</b>		
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS <sup>1</sup> 260.14	Master Service Agreement
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> <li>a. Timing of the audit</li> <li>b. Significant risks, including fraud risks</li> <li>c. Names, locations, and planned responsibilities of other independent public accounting firms or others that perform audit procedures in the audit</li> </ul>	CAS 260.15	Audit plan communicated on October 26, 2021
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27	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>Enquiries of those charged with governance</b>		
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.21	We are not aware of any issues regarding this process
5. Any known suspected or alleged fraud affecting the Municipality	CAS 240.22	We are not aware of any fraudulent events
6. Whether the Municipality is in compliance with laws and regulations	CAS 250.15	We have not identified any non-compliance with laws and regulations
<b>Year End Communication</b>		
7. Fraud or possible fraud identified through the audit process	CAS 240.40-.42	We are not aware of any fraudulent events

<sup>1</sup> CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference	Refer to this report or document described below
8. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.	Significant audit risks and events
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.	Significant audit risks and events
10. Matters related to going concern	CAS 570.25	No matters related to issues with going concern have been identified
11. Consultation with other accountants		Management has informed us that the Municipality has not consulted with other accountants about auditing or accounting matters
12. Management judgments and accounting estimates	CAS 260.16 a.	Significant audit risks and events
13. Significant difficulties, if any, encountered during the audit	CAS 260.16 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
14. Material written communications between management and us, including management representation letters	CAS 260.16 c.	Management representation letter
15. Circumstances that affect the form and the content of the auditor's report	CAS 260.16.d.	Draft auditor's report
16. Other matters that are significant to the oversight of the financial reporting process	CAS 260.16e.	No other matters to report
17. Modifications to our opinion(s)	CAS 260.A21	No modification required
18. Other significant matters discussed with management	CAS 260.A.22	Significant matters discussed, or subject to correspondence with management include such matters as: <ul style="list-style-type: none"> <li>Significant events or transactions that occurred during the year.</li> <li>Impact of COVID-19 on the Municipality</li> </ul> For further details, please see the Significant audit risks and events section
19. Matters involving non-compliance with laws and regulations that come to our attention, unless prohibited by law or regulation, including Illegal or possibly illegal acts that come to our attention	CAS 250.23	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by RMWB, that are not otherwise prohibited to disclosed by law or regulation
20. Litigation		Litigation has been appropriately identified and provided for where required

Required communication	Reference	Refer to this report or document described below
21. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265	No significant deficiencies in internal control to report that impacted our ability to complete the audit
22. Uncorrected misstatements and disclosure items	CAS 450.12-13	Appendix 2 - Uncorrected misstatements and uncorrected disclosure misstatements
<b>Other reportable matters</b>		
23. Changes to the audit plan	CAS 260.A26	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
24. Concerns regarding management competence and integrity		We have not determined any concerns regarding management competence and integrity
25. Disagreements with management		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 financial statements
26. Post-balance sheet events		At the date of finalizing this report, we are not aware of any significant post balance sheet events
27. Reliance on service organizations		Not applicable
28. Limitations when sending confirmations		Not applicable
29. Other significant matters arising from the audit		No other significant matters

# Appendix 2 – Summary of uncorrected financial statement misstatements and summary of disclosure items passed



## Disclosure misstatements

1. In accordance with PS 1200, *Financial Statement Presentation*, financial statements should present a prior period continuity schedule related to tangible capital assets in the note disclosures in the Financial Statements for the current year.
2. Amounts included in accounts payable and accrued liabilities that related to the acquisition of tangible capital assets have not been quantified. 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.
3. The purchase and sale of investments have not been presented on a gross basis on the consolidated statement of cash flows.



## Uncorrected misstatements

- Please see Appendix A in on the next page

# Appendix A

## Regional Municipality of Wood Buffalo

### Summary of uncorrected financial statement misstatements

Year ended December 31, 2021

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)
1	Projects that are substantially complete have not been transferred from Assets under construction ("AUC") to Tangible Capital Assets ("TCA").	Reclassification of Non- Financial Assets from AUC to TCA	Judgemental	Tangible Capital Assets	-	-	3,303,217	-	-	-
				Assets Under Construction	-	-	(3,303,217)	-	-	-
2	During the testing of AUC, there were two projects identified that were sitting in AUC that had indicators of impairment. These were included on the prior year SUD and as such should have been impaired in the prior years.	Correction to record impairment for assets	Judgemental	Assets Under Construction	-	-	(2,783,755)	-	-	-
				Accumulated Surplus	-	-	2,783,755	-	-	-
3	The amortized cost method was not being applied correctly for the Municipality's investments, and a prior period adjustment was made in the current year. The estimated difference in accounting, and timing of the adjustment resulted in a judgemental overstatement of investments and investment revenue, and understatement of accumulated surplus.	Correction of amortized cost method and adjustment misstatement	Judgemental	Investments	(1,250,505)	-	-	-	-	-
				Accumulated Surplus	-	-	(1,981,741)	-	-	-
				Investment Income	-	-	-	-	3,232,246	-
<b>Subsidiaries</b>										
<b>RRC, WBH&amp;DC, Library, AWG and WBEDC</b>										
<i>No unadjusted amounts identified.</i>										
<b>Impact of Prior Year</b>					-	-	-	2,000,000	-	(2,000,000)
<b>Total Factual Misstatements</b>					-	-	-	-	-	-
<b>Total Projected Misstatements</b>					-	-	-	-	-	-
<b>Total Judgmental Misstatements</b>					(1,250,505)	-	(2,783,755)	802,014	3,232,246	-
<b>Total</b>					<b>\$ (1,250,505)</b>	<b>\$ -</b>	<b>\$ (2,783,755)</b>	<b>\$ 2,802,014</b>	<b>\$ 3,232,246</b>	<b>\$ (2,000,000)</b>

# Appendix 3 – Additional required communication

- Draft audit report
- Draft management representation letter



## Independent Auditor's Report

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

### 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, 2021, 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, 2021, 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 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 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.

Chartered Professional Accountants  
April 12, 2022

# Regional Municipality of Wood Buffalo

April 12, 2022

## Private and confidential

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

### **Subject: Consolidated Financial statements of the Regional Municipality of Wood Buffalo for the year ended December 31, 2021**

Attention: David Hodges, Partner

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, 2021, 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 Public Sector Accounting Standards ("PSAS").

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 master service agreement between the Municipality and Deloitte dated October 15, 2016 and subsequent confirmation letters, 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, 2021 and the results of its operations and cash flows for the year 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 PSAS. 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 entity. No events have occurred subsequent to December 31, 2021 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"). Management has made the appropriate disclosures with respect to its related party transactions in accordance with PS 2200.
4. We have determined that the Financial Statements are complete as of the date of this letter 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.

Except where otherwise stated below, immaterial matters less than \$5,120,000 collectively are not considered to be exceptions that require disclosures for the purpose of following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial information.

5. We have completed our review of events after December 31, 2021 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 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 prior period continuity schedule related to tangible capital assets in the note disclosures in the Financial Statements for the current year.
- Amounts included in accounts payable and accrued liabilities that related to the acquisition of tangible capital assets have not been quantified. 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 purchase and sale of investments have not been presented 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 no knowledge of any 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 no knowledge of any 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.
  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.

#### **Other matters**

17. 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.
18. 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.
19. We have disclosed to you that there are no trusts that should be included in the consolidation of the Financial Statements.
20. 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.
21. 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*.

22. 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.
23. 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.
24. 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.
25. 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**

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

#### **Loans and receivables**

27. 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 and include an appropriate provision for loans and receivables that are deemed to be uncollectable.
28. We believe that the recorded balances in accounts receivable related to the flood or wildfire events are collectible.

#### **Inventories**

29. 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**

30. 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.



31. We have evaluated and assessed all of our tangible capital assets and identified the sites listed in the Notes to the Financial Statements, 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.
32. 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.
33. We have not identified any specific environmental or contingent liabilities as a result of the 2016 wildfire, the 2020 flood or any other environmental event including, but not limited to areas of environmental contamination for which the Municipality is responsible for remediation.

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

34. 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**

35. 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.
36. 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.
37. We have appropriately assessed, recorded and adequately disclosed in the Financial Statements 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**

38. We have fully disclosed to you all sales terms, including all rights of return or price adjustments.
39. 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**

- 40. 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**

- 41. We have disclosed to you all correspondence relating to government transfers that the Municipality has had with the funding body.
- 42. We have assessed the eligibility criteria and determined that the Municipality is an eligible recipient for the government transfers received.
- 43. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.
- 44. 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.
- 45. All authorized transfers that have been expensed have been transferred to recipients whom have met the eligibility criteria.

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

- 46. 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**

- 47. 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**

- 48. The accounting policies selected and application of those policies are appropriate.
- 49. 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, 2020.

#### **Adjusting journal entries**

- 50. 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:

- a. Recording of transactions for which we have determined or approved the appropriate account classification;
- b. Posting transactions to the general ledger;
- c. Preparing financial statements; and
- d. 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**

51. All investments have been appropriately classified as temporary investments or portfolio investments.
52. 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.
53. 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**

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

### **Tangible capital assets**

55. Tangible capital assets have been recorded properly and consistently according to the standards in Section PS 3150, *Tangible Capital Assets*.
56. 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.
57. 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**

58. 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**

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

### Segment disclosures

61. 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

62. 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.

63. 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.
64. 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 Regional Municipality of Wood Buffalo Summary of uncorrected financial statement misstatements Year ended December 31, 2021

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)
1	Projects that are substantially complete have not been transferred from Assets under construction ("AUC") to Tangible Capital Assets ("TCA").	Reclassification of Non- Financial Assets from AUC to TCA	Judgemental	Tangible Capital Assets	-	-	3,303,217	-	-	-
				Assets Under Construction	-	-	(3,303,217)	-	-	-
2	During the testing of AUC, there were two projects identified that were sitting in AUC that had indicators of impairment. These were included on the prior year SUD and as such should have been impaired in the prior years.	Correction to record impairment for assets	Judgemental	Assets Under Construction	-	-	(2,783,755)	-	-	-
				Accumulated Surplus	-	-	2,783,755	-	-	-
3	The amortized cost method was not being applied correctly for the Municipality's investments, and a prior period adjustment was made in the current year. The estimated difference in accounting, and timing of the adjustment resulted in a judgemental overstatement of investments and investment revenue, and understatement of accumulated surplus.	Correction of amortized cost method and adjustment misstatement	Judgemental	Investments	(1,250,505)	-	-	-	-	-
				Accumulated Surplus	-	-	(1,981,741)	-	-	-
				Investment Income	-	-	-	-	3,232,246	-
<b>Subsidiaries</b>										
<b>RRC, WB&amp;DC, Library, AWG and WBEDC</b>										
<i>No unadjusted amounts identified.</i>										
<b>Impact of Prior Year</b>					-	-	-	2,000,000	-	(2,000,000)
<b>Total Factual Misstatements</b>					-	-	-	-	-	-
<b>Total Projected Misstatements</b>					(1,250,505)	-	(2,783,755)	802,014	3,232,246	-
<b>Total Judgmental Misstatements</b>					-	-	-	-	-	-
<b>Total</b>					<b>\$ (1,250,505)</b>	<b>\$ -</b>	<b>\$ (2,783,755)</b>	<b>\$ 2,802,014</b>	<b>\$ 3,232,246</b>	<b>\$ (2,000,000)</b>

# Regional Municipality of Wood Buffalo Consolidated Financial Statements for the year ended December 31, 2021

Presenter: Linda Ollivier, CFO

Department: Financial Services

Meeting Date: April 12, 2022



REGIONAL MUNICIPALITY  
OF WOOD BUFFALO

# 2021 Key Highlights

- Revenue decrease of (\$26M)
  - Net Property Taxes decrease of (\$22M)
  - Government Transfers increase of \$12M
  - Investment Income decrease of (\$18M)
- Expenses decrease of \$6M
- Accumulated surplus increase of \$43M

# Statement of Financial Position

<b>Assets</b>	<b>2021 (\$M)</b>	<b>2020 (\$M)</b>
Cash	\$144	\$285
Restricted Cash	\$16	\$16
Accounts Receivable	67	47
Investments	1,112	1,000
Mortgages and Notes Receivable	4	4
	<b>\$1,343</b>	<b>\$1,352</b>

Attachment: 2021 RMWB Consolidated Financial Statements



# Statement of Financial Position

Liabilities	2021 (\$M)	2020 (\$M)
Accounts Payable	\$90	\$89
Deferred Revenue	75	70
Other Liabilities	42	42
Long Term Debt	58	73
Total Liabilities	\$265	\$274
Net Financial Assets	\$1,078	\$1,078

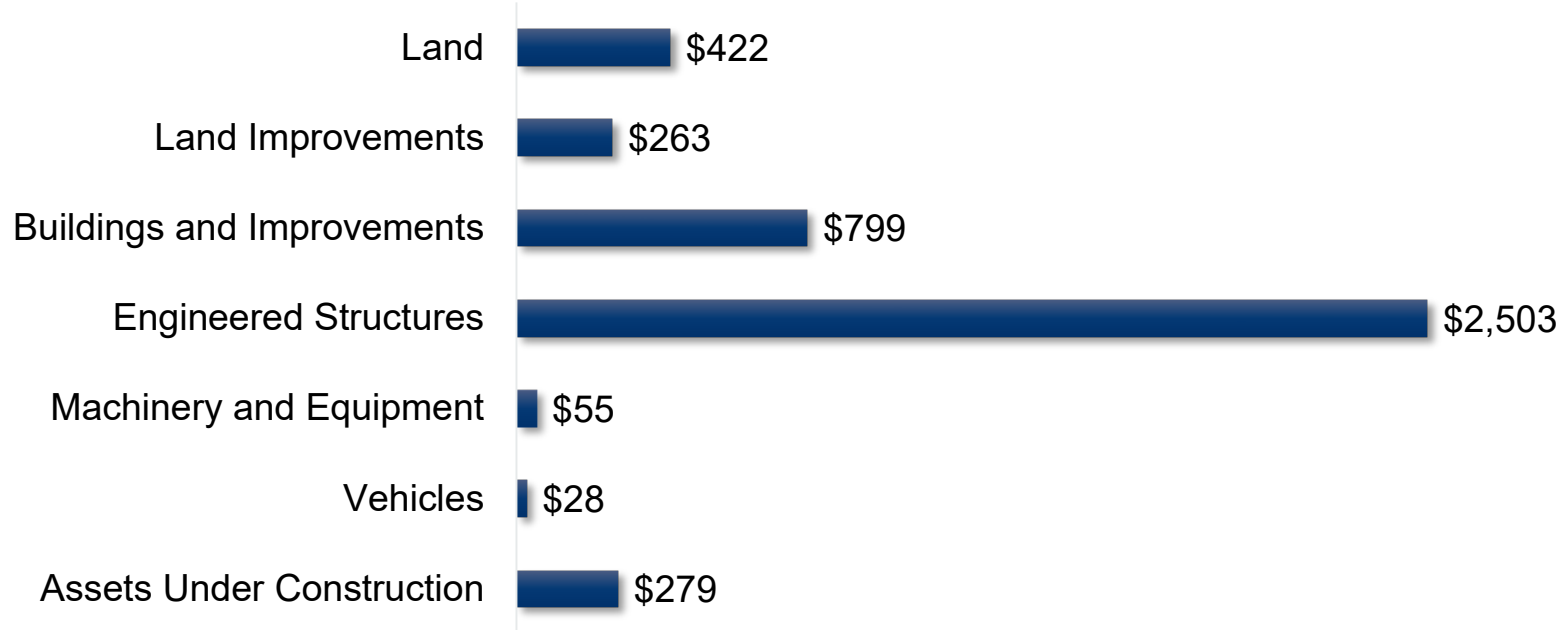
Attachment: 2021 RMWB Consolidated Financial Statements

# Statement of Financial Position

Non-Financial Assets	2021 (\$M)	2020 (\$M)
Tangible Capital Assets	\$4,349	\$4,304
Consumable Inventories	5	6
Prepaid Expenses	4	5
	\$4,358	\$4,315
Accumulated Surplus	\$5,436	\$5,393

Attachment: 2021 RMWB Consolidated Financial Statements

# Tangible Capital Assets (\$M)



# Statement of Operations

Revenue	2021 (\$M)	2020 (\$M)
Net Taxes	\$469	\$491
Government Transfers	87	75
Sales and User Charges	51	52
Returns on Investments	24	42
Others	52	49
Total Revenue	\$683	\$709

Attachment: 2021 RMWB Consolidated Financial Statements

# Statement of Operations

Expenses	2021 (\$M)	2020 (\$M)
Protective Services	\$100	\$119
Transportation	124	116
Environmental Use & Protection	108	103
Public Health & Welfare	49	35
Planning & Development	14	16
Recreation & Culture	74	71

Attachment: 2021 RMWB Consolidated Financial Statements

# Statement of Operations

Expenses (continued)	2021 (\$M)	2020 (\$M)
Fiscal Services	\$4	\$5
General Government	133	137
Subsidiary Entities	34	44
Total Expenses	\$640	\$646

\*As per Financial Statement Note #21

# Statement of Cash Flows

Cash Provided By (Used In)	2021 (\$M)	2020 (\$M)
Operating	\$158	\$175
Capital	(173)	(128)
Investing	(111)	(137)
Financing	(15)	(4)
Decrease In Cash	(\$141)	(\$94)
Cash – End of Year	\$144	\$285

Attachment: 2021 RMWB Consolidated Financial Statements



## Changes in Net Financial Assets

	2021 (\$M)	2020 (\$M)
Annual Surplus	\$43	\$63
Capital Assets	(45)	(1)
Prepaid and Inventory	2	-
Change in Net Assets	\$0	\$62
Net Financial Assets – Ending	\$1,078	\$1,078

Attachment: 2021 RMWB Consolidated Financial Statements

# Thank You



REGIONAL MUNICIPALITY  
OF WOOD BUFFALO