

**Subject: 2017 Non-Consolidated Financial Statements****APPROVALS:****Annette Antoniak**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT the 2017 Non-Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ended December 31, 2017 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. The consolidated financial statements, to be submitted to the Province, will include information for subsidiaries; the Regional Recreation Corporation, Wood Buffalo Housing Development Corporation and Regional Municipality of Wood Buffalo Library Board. In advance of submitting consolidated financial information, Administration is presenting information specific to municipal operations prior to consolidation. This format allows for each subsidiary to provide information and speak to highlights specific to their operations.

**Background:**

Administration is responsible for the preparation of the financial statements which are audited by Deloitte LLP. Highlights of the non-consolidated financial statements, municipal operations only, are presented for the fiscal year ended December 31, 2017 as information and in advance of final presentation of the consolidated audited report. The former Audit Committee was previously the venue for presentation and discussion of the annual audited financial statements.

**Budget/Financial Implications:**

Per the Fiscal Responsibility Policy - FIN-160, \$59 million of the year end operating surplus, 6% of total revenues, will be transferred to the Emerging Issues Reserve. In addition, \$7 million will fund the 2016 deficit as presented at the April 27, 2017 Audit Committee meeting.

The Operating Revenues to December 31, 2017 are \$840.4 million, a 4.6% increase

over budget. Property tax revenue increased as a result of a reduction in provision for property tax appeals; sales and user charges increased due to the utility rate increase and increased investment income due to favourable rates in the market.

The Operating Expenses to December 31, 2017 are \$406.8 million (net of transfer to reserves of \$426.5 million) a 13.1% budget decrease. Salaries, wages and benefits were decreased due to reductions in overtime spending, reductions in positions through attrition and vacant positions not being filled. As a result of ongoing internal reviews for savings opportunities reductions were found in the contracted and general services, materials, goods, supplies and utilities categories. Debenture repayment and interest on long term debt were lower than budgeted because the Municipality did not borrow its budgeted debt for 2017.

**Rationale for Recommendation:**

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

**Strategic Priorities:**

Responsible Government

**Attachments:**

**2017-RMWB Non Consolidated Financial Statements-V1**

**2017\_WBHDC - Financial Statements**

**2017 RRC - Financial Statements**

**2017 WBRL - Financial Statements**

**2017 RMWB Non-Consolidated FS**