

Subject: 2018 Non-Consolidated Financial Statements**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

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

Summary:

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

Background:

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

Budget/Financial Implications:

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

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

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

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

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

Rationale for Recommendation:

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

Strategic Priorities:

Responsible Government

Attachments:

1. 2019 Non-Consolidated Financial Statements

2. Q4 2018 Financial Performance Report

2018 Non-Consolidated Financial Statement Presentation