

2022 Q3 FINANCIAL PERFORMANCE REPORT



REGIONAL MUNICIPALITY
OF **WOOD BUFFALO**

Regional Municipality of Wood Buffalo

9909 Franklin Avenue

Fort McMurray | ᓂᓕᓕᓐᓂᓐ | Nistawâyâw | Ełı́dlı́ Kuę́

Alberta T9H 2K4

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.

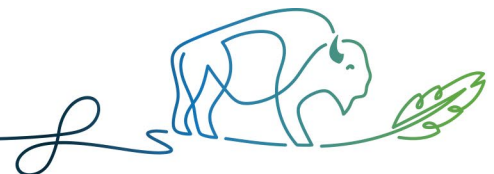


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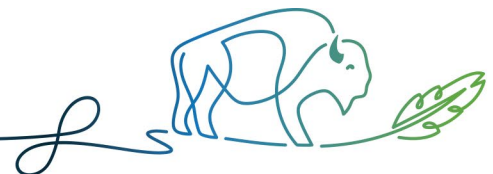


Municipal Operating Revenues and Expenses

As of September 30, 2022

	September Actual YTD	September Budget YTD	Budget YTD Variance Increase (Decrease)	Annual Budget	Annual Projections	Annual Budget Variance Increase (Decrease)
Revenues:						
Net taxes available for municipal purposes	\$ 347,906,177	\$ 348,374,885	\$ (468,708)	\$ 464,503,800	\$ 464,203,800	\$ (300,000)
Government transfers	12,376,180	10,309,740	2,066,440	13,861,560	16,236,560	2,375,000
Sales and user charges	37,157,376	36,001,634	1,155,742	47,367,999	48,053,999	686,000
Sales to other governments	3,004,530	2,502,353	502,177	3,275,100	3,625,100	350,000
Penalties and costs on taxes	4,876,889	2,340,700	2,536,189	2,340,700	5,740,700	3,400,000
Licenses and permits	1,700,864	1,217,410	483,454	1,641,000	2,182,000	541,000
Fines	1,948,784	2,150,051	(201,267)	2,870,000	2,570,000	(300,000)
Franchise and concession contracts	6,930,706	6,241,500	689,206	8,200,000	9,000,000	800,000
Return on investments	13,292,175	14,653,000	(1,360,825)	19,564,000	19,564,000	-
Rentals	909,813	1,181,349	(271,536)	1,459,200	1,249,200	(210,000)
Other	2,719,333	2,135,337	583,996	2,812,700	3,347,700	535,000
Transfers from reserves for operations	549,987	1,812,225	(1,262,238)	2,429,089	2,219,089	(210,000)
	433,372,814	428,920,184	4,452,630	570,325,148	577,992,148	7,667,000
Expenses:						
Salaries, wages and benefits	173,066,857	181,263,366	(8,196,509)	238,216,662	234,116,662	(4,100,000)
Contracted and general services	48,809,670	64,283,333	(15,473,663)	89,784,671	87,846,671	(1,938,000)
Purchases from other governments	19,600,187	21,876,030	(2,275,843)	29,161,780	27,161,780	(2,000,000)
Materials, goods, supplies and utilities	25,919,968	27,880,594	(1,960,626)	36,780,527	38,392,527	1,612,000
Provision for allowances	3,755,245	4,370,400	(615,155)	4,763,200	4,913,200	150,000
Transfers to local boards and agencies	3,423,238	3,459,627	(36,389)	4,642,835	4,642,835	-
Transfers to individuals and organizations	9,732,620	11,324,697	(1,592,077)	15,261,264	16,157,264	896,000
Transfers to facilities	18,800,653	18,825,158	(24,505)	23,206,148	23,206,148	-
Bank charges and short-term interest	213,321	238,840	(25,519)	316,900	316,900	-
Other	37,201	19,490	17,711	24,600	24,600	-
	303,358,960	333,541,535	(30,182,575)	442,158,587	436,778,587	(5,380,000)
Reserves:						
Transfers to reserves for operations	97,372,599	97,372,599	-	128,166,561	128,166,561	-
	97,372,599	97,372,599	-	128,166,561	128,166,561	-
Operating surplus (deficit)	\$ 32,641,255	\$ (1,993,950)	\$ 34,635,205	\$ -	\$ 13,047,000	\$ 13,047,000

On February 7, 2022, RMWB Council approved the 2022 Budget, as shown in the Annual Budget column. The September Budget Year-To-Date (YTD) column shows the portion of the 2022 Budget that was allocated to the first nine months. The Budget YTD Variance column shows both timing differences based on monthly allocation of the budget as well as differences that are expected to impact year-end results. Projected year-end results are shown under the Annual Projections column.



As of September 30, 2022, the Municipality is showing an annual projected surplus of \$13.0 million. Revenues are projected to be \$7.6 million higher than budgeted and expenses are projected to be \$5.4 million lower than budgeted.

Operating Revenues

The year-to-date operating revenues to September 30, 2022, are \$433.4 million. On an annual basis the revenue projection is \$578.0 million, an increase of \$7.6 million over budget. This is shown primarily in:

- Government Transfers – increase of \$2.4 million includes \$1.5 million from an unbudgeted Police Services Grant and \$0.9 million in additional Federal CPH (Community Plan for Homelessness) funding. CPH revenue is transferred to community organizations and therefore this revenue increase has a corresponding increase in expenses (Transfers to Individuals and Organizations).
- Sales and User Charges – increase of \$0.7 million includes \$0.4 million due to greater use of industrial water and sewage services, \$0.2 million in residential garbage collection due to an increase in the number of residential accounts and \$0.1 million in increased road traffic fees for oversized loads as a result of greater industrial activity.
- Penalties and Costs on Taxes – increase of \$3.4 million includes \$2.4 million due to an error in estimating the 2022 budget for property tax penalties and \$1.0 million due to higher than anticipated overdue property taxes.

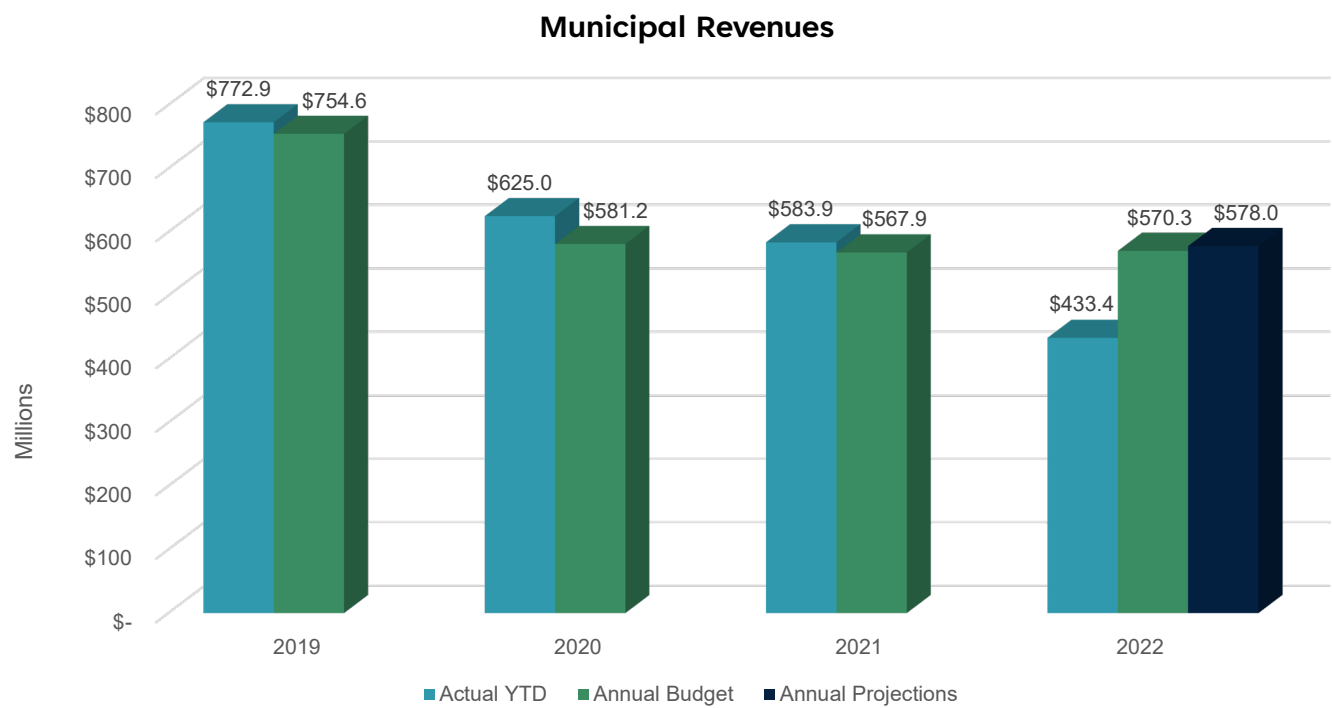
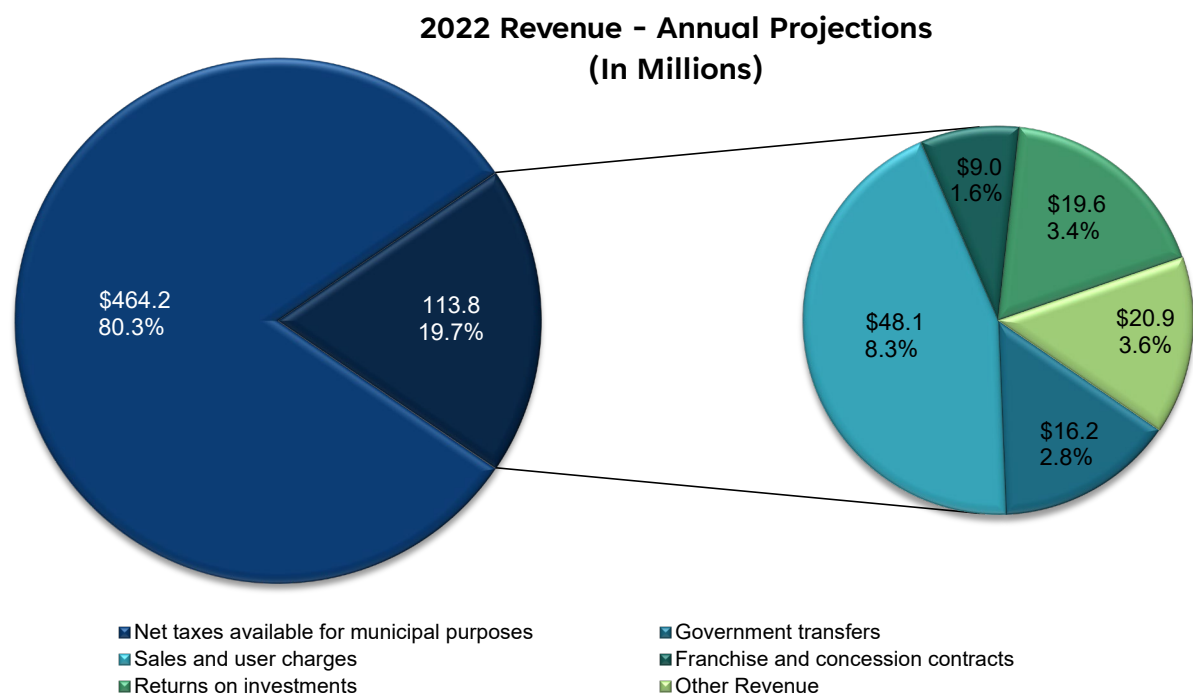
Operating Expenses

Operating expenses to September 30, 2022, are \$303.4 million. On an annual basis the expense projection is \$436.8 million, a decrease of \$5.4 million below budget. This is shown primarily in:

- Salaries, Wages and Benefits – decrease of \$4.1 million due to vacant positions that are in various stages within the recruitment process.
- Contracted and General Services – decrease of \$1.9 million includes \$0.8 million in lower than anticipated costs of the Workflow Transformation project within Supply Chain Management, \$0.7 million in decreased contracted Health & Safety services due to lower than expected occupational health assessments and safety incident support and \$0.4 million in lower building rental expense due to a budgeted lease that did not materialize.
- Purchases from Other Governments – decrease of \$2.0 million due to a lower than budgeted number of RCMP members.
- Materials, Supplies, Goods and Utilities – increase of \$1.6 million due to rising fuel prices.

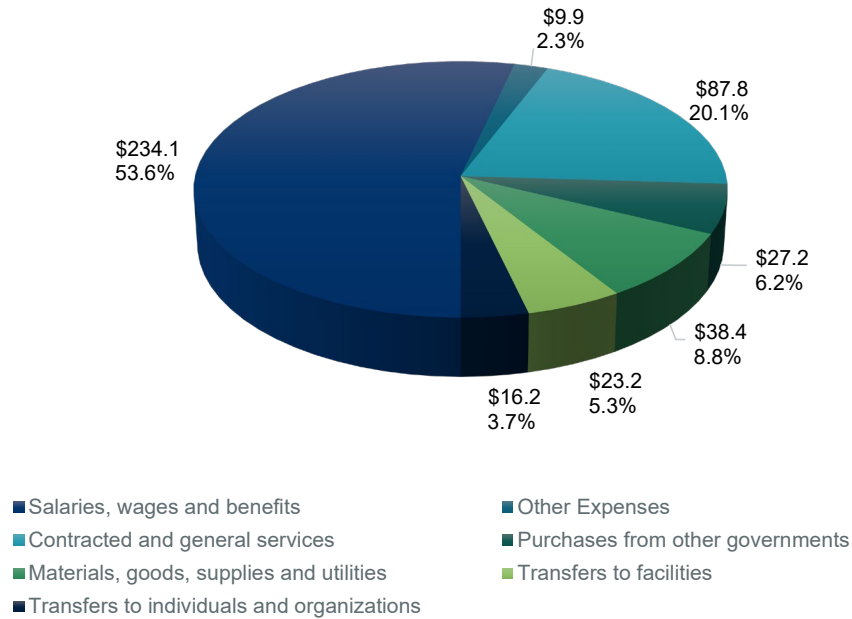


Revenues

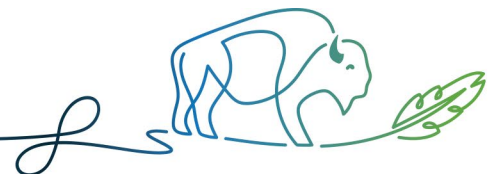
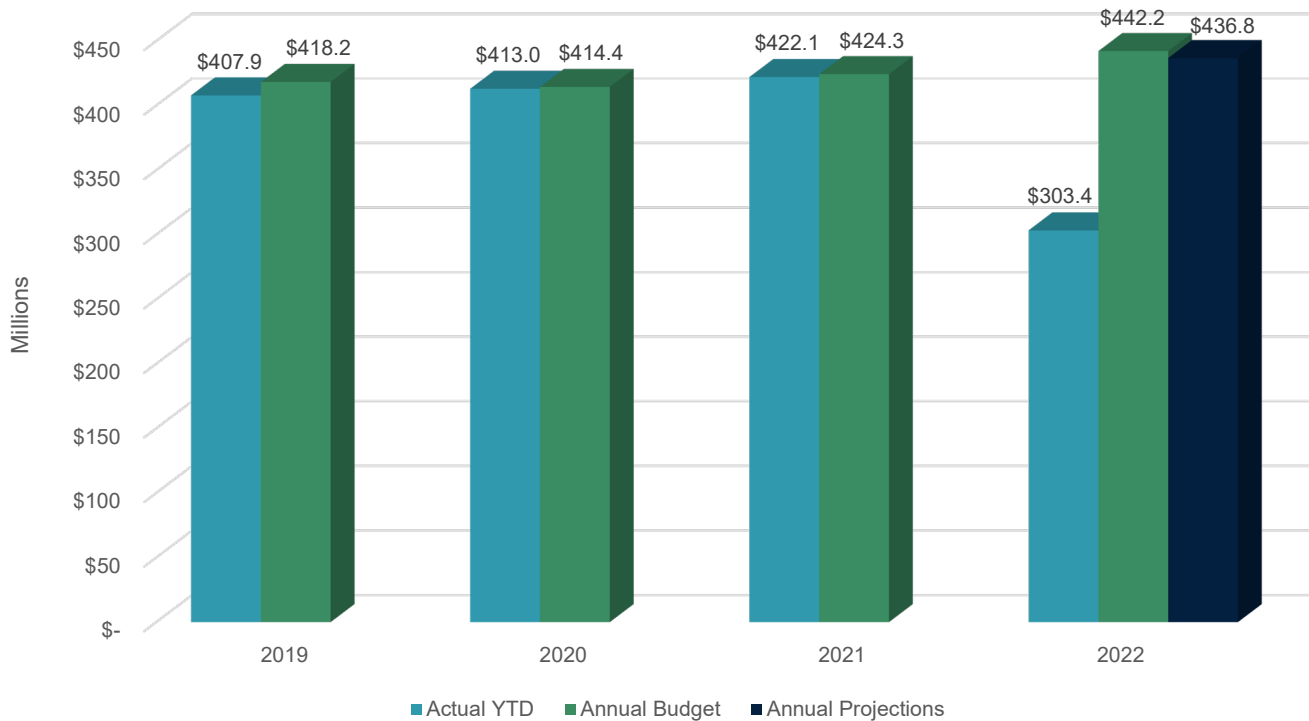


Expenses

**2022 Expenses (excluding reserves)
Annual Projections (in Millions)**



Municipal Expenses (excluding reserves)



Financial Position

Capital Project Spending

As of September 30, 2022

Project Name	2022 Actual YTD
Top 20	
Flood Mitigation – Construction	17,890,520
Rural Infrastructure Rehabilitation 2015-2017	5,891,053
Rural Water and Sewer Servicing - Construction	4,616,035
Rural Broadband - Southern Hamlets	4,393,334
Fort Chipewyan Lift Station Upgrades - Construction	3,934,632
A Frame Road Paving, Lift Station and Sanitary Forcemain Installation	3,672,458
Public Works North Facilities	2,729,399
Urban Infrastructure Rehabilitation Construction 2019	2,283,505
Rural Water and Sewer Servicing Connections	2,030,720
Abasand Heights Pumphouse - Construction	1,661,767
Urban Infrastructure Rehabilitation 2014-2016	1,634,775
King Street Booster Rehabilitation - Construction	1,471,259
Fort Chipewyan 6 Bay Garage & Animal Control Facility	1,459,799
2022 Heavy Equipment Replacement - Refuse Compactor	1,400,000
Confederation Way Sanitary Sewer - Contract 3	1,387,942
Flood Mitigation - Design	1,301,690
CAMA System Review - Construction	1,176,679
Kiyam Community Park	1,167,635
Conklin WTP MIEX - Construction	1,145,064
Storm/Sewer/Water Upgrades in Mackenzie/Beacon Hill - Construction	945,896
All Other Project Costs	22,416,175
Total Capital Spending	84,610,337

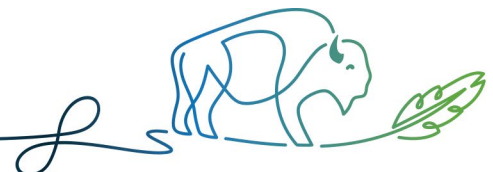
CAMA = Computer Assisted Mass Appraisal

WTP = Water Treatment Plant

MIEX = Magnetic Ion Exchange Systems

The Municipality approved the 2022 capital budget of \$156.0 million. As of September 30, 2022, the capital budget has been revised to \$159.1 million stemming from 2022 capital budget amendments. As of September 30, 2022, \$84.6 million has been spent on the delivery of capital projects.

Top three projects by spending – Flood Mitigation Construction, Rural Infrastructure Rehabilitation 2015-2017, and Rural Water and Sewer Servicing Construction, account for 34% of the total spend.

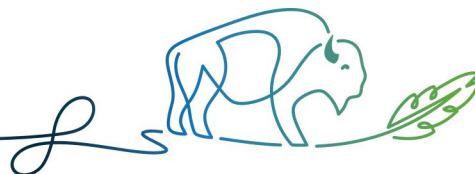


Bank

Bank
As of September 30, 2022
(in Millions)

Cash	
Operating - Bank Balance	\$ 254.4
Investments	1,089.7
Total Cash	1,344.1
Committed Funds	
Operating Requirements	349.7
Deferred Revenue	
Grants	96.2
Developer Agreements	3.3
Offsite Levies	2.9
	102.4
Reserves	
Committed Funds	
Capital	359.4
Emerging Issues	84.3
Operating	56.7
	500.4
Total Committed Funds	952.5
Remaining	\$ 391.6

The current amount of cash in the bank plus investments total \$1.3 billion as of September 30, 2022. The commitments against this balance include \$349.7 million for operating requirements, \$102.4 million in deferred revenues, which is money the Municipality has received in advance but is committed to spend in the future, and \$500.4 million in committed reserve funds.



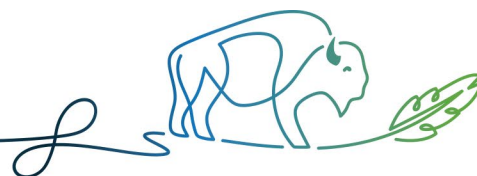
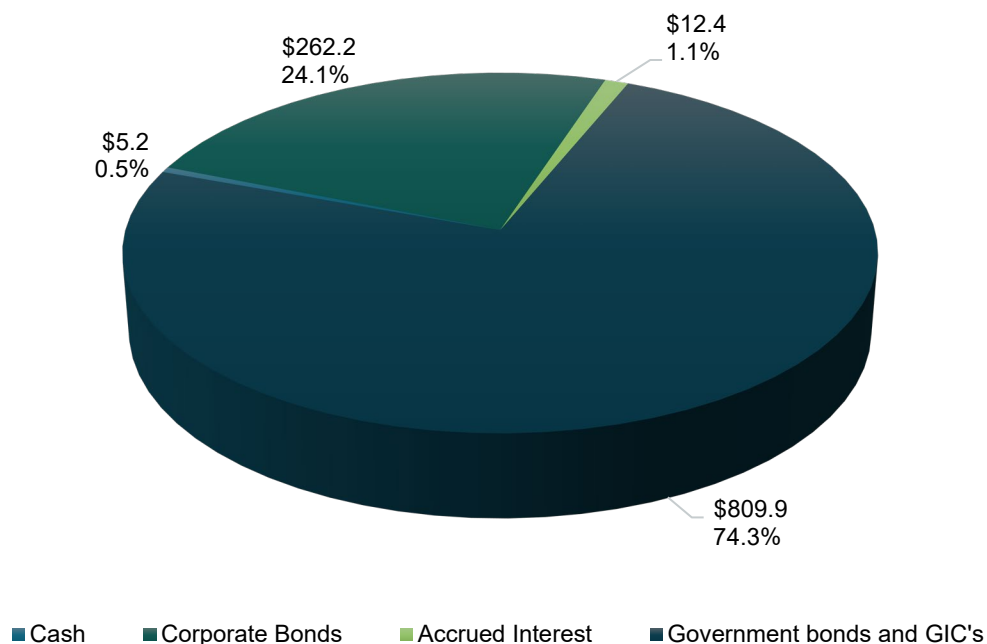
Investments

The Municipality has \$1.1 billion in investment holdings as of September 30, 2022, of which \$72.2 million are short-term investments with maturity dates under one year. Returns on investments to September 30, 2022 total \$13.3 million with \$10.5 million from investment income and \$2.8 million from interest income.

Investment Holdings (in Millions)

Type:	Book Value @ December 31, 2021	Book Value @ September 30, 2022	Market Value @ September 30, 2022
Cash	\$ 26.1	\$ 5.2	\$ 5.2
Government bonds and GIC's	641.4	809.9	711.0
Corporate bonds	402.8	262.2	246.9
Accrued interest	8.9	12.4	12.4
Total	\$ 1,079.2	\$ 1,089.7	\$ 975.5

Investment Holdings by Type - Book Values (in Millions)

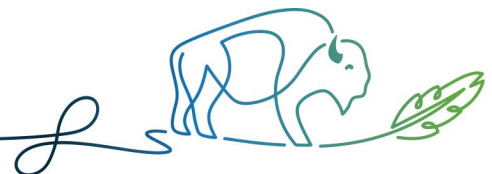
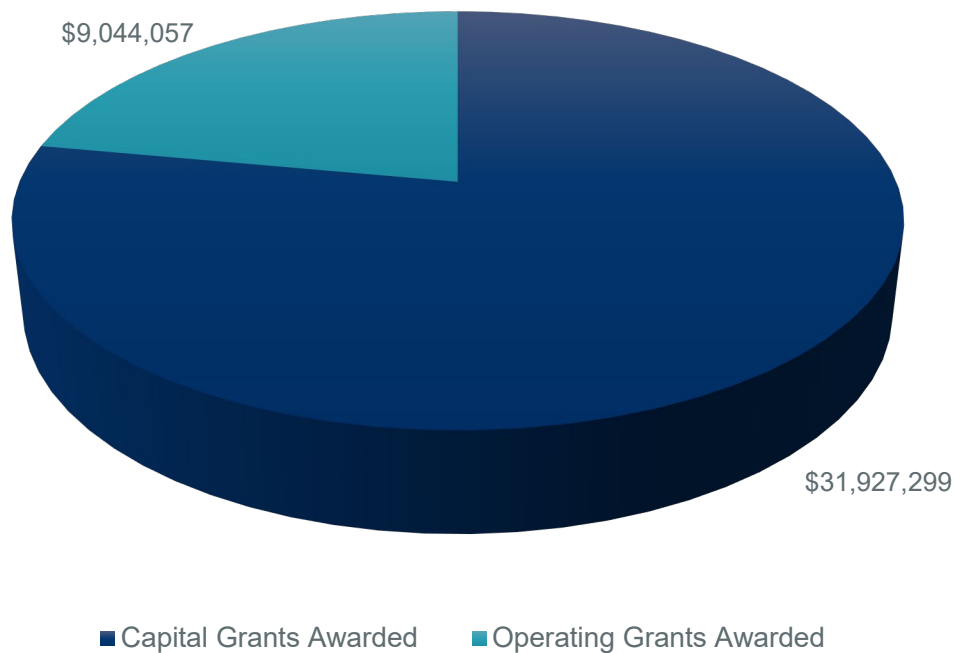


Grants

As of September 30, 2022

For 2022 the Municipality has been awarded grants totaling \$41.0 million during the first three quarters, comprised of \$31.9 million in capital grants and \$9.1 million in operating grants. Material grants are summarized below.

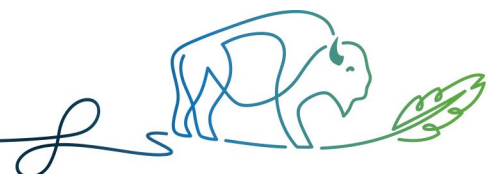
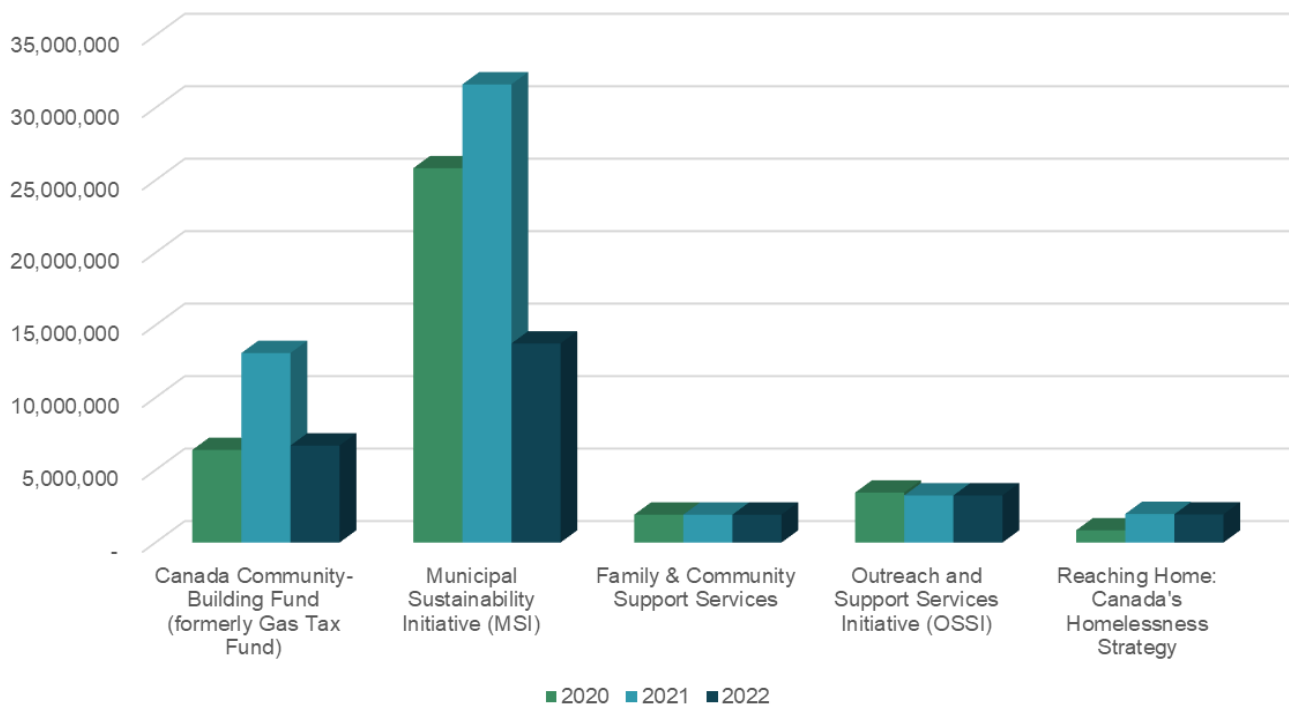
2022 Capital and Operating Grants Year-to-Date



Annually Recurring Grants

- The Canada Community-Building Fund (CCBF; formerly Gas Tax Fund) - \$6.7 million was awarded to fund the Thickwood Perimeter Sewer Construction project.
- The Provincial Municipal Sustainability Initiative (MSI) - \$13.7 million was awarded to fund capital projects including Rural Water and Sewer Servicing, and Rural Infrastructure Rehabilitation.
- Family & Community Support Services (FCSS) - \$1.9 million. Through the FCSS grant, the Government of Alberta (GOA) funds up to 80% of qualifying social service expenditures incurred by the Municipality, many of which are administered by local non-profit organizations who rely on grant funding from the Municipality.
- The Outreach and Support Services Initiative (OSSI) - \$3.3 million. The Provincial OSSI grant assists the Municipality's Community Housing Plan. At least 90% of grant proceeds are issued directly to non-profit organizations.
- Reaching Home: Canada's Homelessness Strategy - \$1.9 million. Like OSSI, the Federal Government assists our Community Housing Plan through the Reaching Home grant. A minimum of 85% of grant proceeds are issued directly to non-profit organizations.

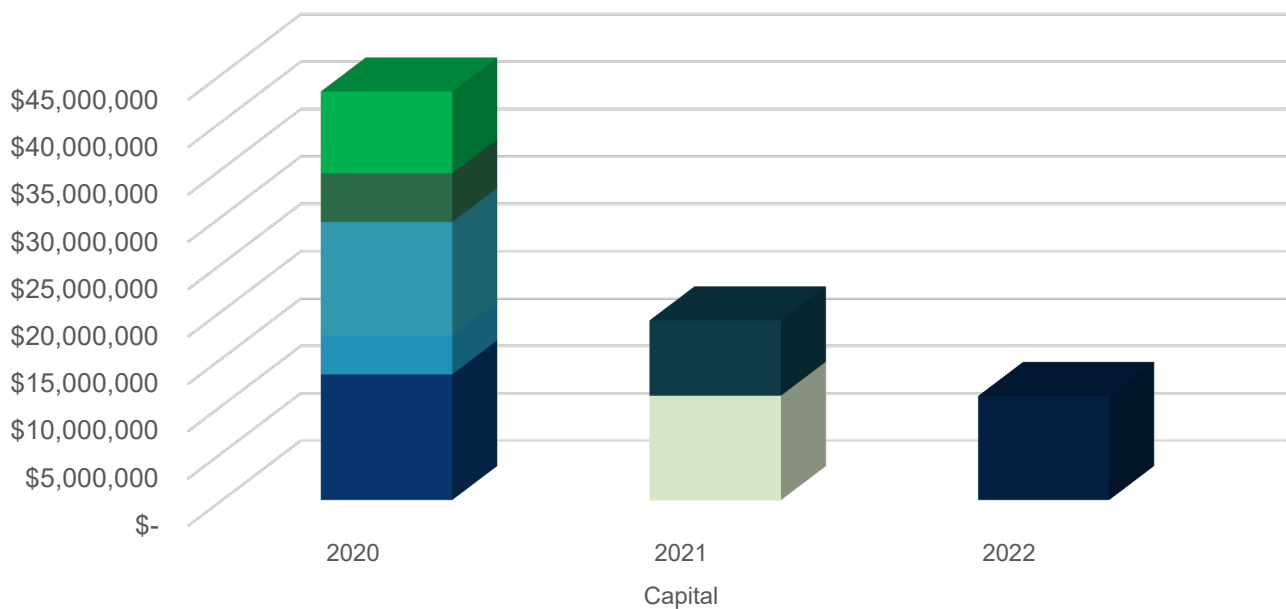
Annual Recurring Capital and Operating Grants



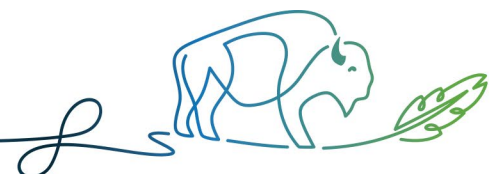
One-time Grants

- Alberta Emergency Management Agency - \$11.0 million to support the purchase of Ptarmigan Court properties.
- Alberta Relief for Shortfalls for Transit Operators (RESTOR) - \$1.2 million in relief for foregone transit revenue and additional transit operating expenses due to the impact of COVID-19.

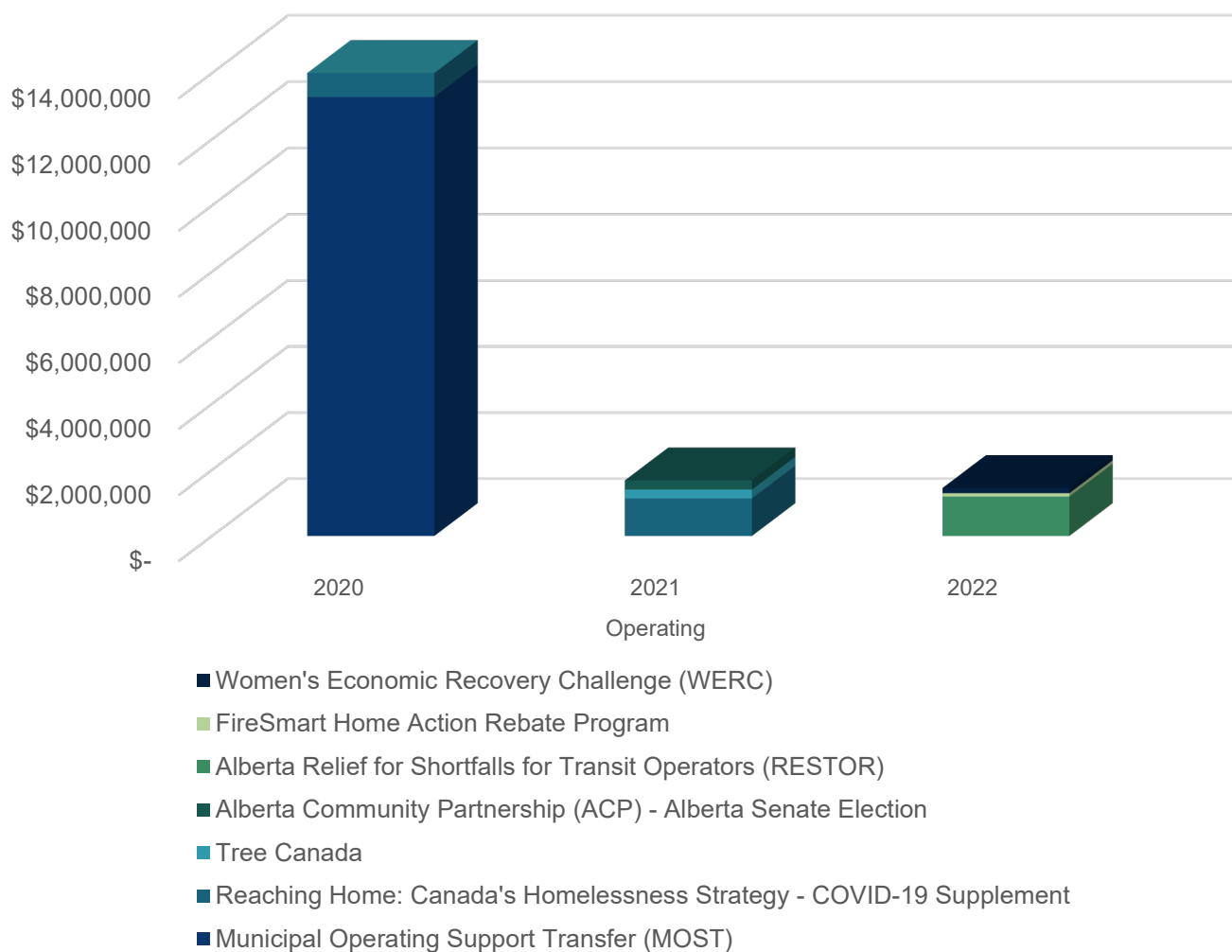
Capital One-Time Grants



- Investing in Canada Infrastructure Program (ICIP) COVID-19 Resilience
- 2020 Mitigation Funding (Ptarmigan Court)
- Airports Capital Assistance Program (ACAP)
- Investing in Canada Infrastructure Program (ICIP) Green Infrastructure
- AMWWP - Fort Chipewyan Lift Station
- AMWWP - Conklin Lagoon Upgrade and Outfall
- AMWWP - Anzac/Conklin/Gregoire Lake/Janvier Water Services Project
- Municipal Stimulus Program (MSP)



Operating One-Time Grants



Research into grant opportunities and stakeholder consultation is an on-going process with evolving eligibility criteria.

Refer to the following Appendix for detailed Grant listings.



Extraordinary Events

2020 River Break Up

The Municipality has spent \$30.3 million in recoverable River Break Up (RBU) costs since April 2020. To date, the Province has advanced \$20.0 million for reimbursable expenses under the Disaster Recovery Program (DRP) and our insurance provider has advanced \$0.5 million.

Administration is working with the Province to quantify claims. The RBU project summary estimate is \$33.3 million. As of September 30, 2022, \$29.7 million has been submitted to DRP or is a submission in progress.

2020 River Break Up Recoverable Costs

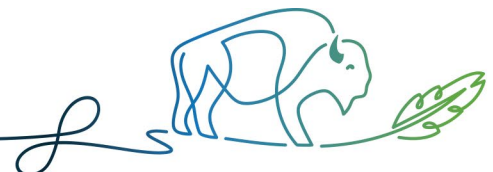
April 24, 2020 to September 30, 2022

	DRP	Insurance	Total
Approved Submissions	\$ (1,027,699)	\$ (500,000)	\$ (1,527,699)
Submitted - Not Yet Approved	(3,763,126)	-	(3,763,126)
In Progress	(24,954,236)	(162,390)	(25,116,626)
Total 2020 River Break Up Recoverable	(29,745,061)	(662,390)	(30,407,451)
Advances Received	20,000,000	500,000	20,500,000
Total 2020 River Break Up Costs Advanced (Unrecovered)	\$ (9,745,061)	\$ (162,390)	\$ (9,907,451)

2020 River Break Up Project Summary

April 24, 2020 to September 30, 2022

	RMWB Project Estimate	Actuals To Date	Remaining
DRP Response (Operations and Infrastructure)	\$ 10,500,000	\$ 10,285,374	\$ 214,626
DRP Recovery (Operations and Infrastructure)	21,800,000	19,392,533	2,407,467
Insurance	1,000,000	662,390	337,610
Total 2020 River Break Up Project Summary	\$ 33,300,000	\$ 30,340,297	\$ 2,959,703



2016 Wildfire

The Municipality has spent \$283.1 million in recoverable wildfire costs since May 2016. To date, the Province has advanced \$209.3 million for reimbursable expenses under the Disaster Recovery Program (DRP), FireSmart has paid \$8.4 million, our insurance provider has paid \$29.6 million and Red Cross has advanced \$9.0 million.

FireSmart, insurance and Red Cross files are closed as all claims are complete.

Administration is continuing to work with the Province to close all DRP claims. As of September 30, 2022, \$236.2 million of claims have been submitted to the Province, of which \$38.0 million are under review for approval. No further claims will be submitted.

2016 Wildfire Recoverable Costs May 1, 2016 to September 30, 2022

	DRP	FireSmart	Insurance	Red Cross	Total
Approved Submissions	\$ (198,139,457)	\$ (5,987,179)	\$ (21,469,614)	\$ (7,523,532)	\$ (233,119,782)
Submitted - Not Yet Approved	(38,021,988)	-	-	-	(38,021,988)
In Progress	-	-	-	-	-
Total 2016 Wildfire Operating Recoverable	(236,161,445)	(5,987,179)	(21,469,614)	(7,523,532)	(271,141,770)
Capital Spending	-	(2,379,686)	(8,160,401)	(1,463,927)	(12,004,014)
Total 2016 Wildfire Recoverable	(236,161,445)	(8,366,865)	(29,630,015)	(8,987,459)	(283,145,784)
Advances Received	209,282,632	8,366,865	29,630,015	8,987,459	256,266,971
Total 2016 Wildfire Costs					
Advanced (Unrecovered)	\$ (26,878,813)	\$ -	\$ -	\$ -	\$ (26,878,813)



Appendix

Detailed Capital and Operating Grants

As of September 30, 2022

Capital Grants Awarded

Capital Grants Awarded	2020	2021	2022	Information
Annual Grants				
Canada Community-Building Fund (formerly Gas Tax Fund)	\$ 6,388,689	\$ 13,077,286	\$ 6,692,949	2021 amount included a top-up of \$6,389,882.
Municipal Sustainability Initiative (MSI)	25,832,442	31,615,597	13,737,225	Annual MSI grant has reduced from prior years. The 2023 grant is expected to be a similar amount as the 2022 grant. Approx. \$6.5 million of the 2021 grant was an advance of grants that otherwise would have been paid in 2022 and 2023.
9-1-1 Grant	484,844	474,319	497,125	The objective of the 911 Grant Program is to strengthen and support local delivery of 911.
One-Time Grants				
Airports Capital Assistance Program (ACAP)		11,021,416		Transport Canada approved of grant funding for Fort Chipewyan Airside Pavement Rehabilitation.
AMWWP - Fort Chipewyan Lift Station	5,134,368			Approved for \$5,134,368 representing 74.66% of eligible costs.
AMWWP - Conklin Lagoon Upgrade and Outfall	12,000,000			Approved for \$12,000,000 representing 75% of eligible costs.
AMWWP - Anzac/Conklin/Gregoire Lake/Janvier Water Services Project	4,091,756			Approved for \$4,091,756 representing 66.92% of eligible costs.
First Nations Water Tie-In Program	4,474			Funding was approved to conduct a Regional Water Transmission Line Extension Feasibility study. The study will look at a regional system from the Hamlet of Fort Chipewyan that will provide service to the Mikisew Cree First Nations in the Allison Bay area. An additional 10% was approved in 2020.
Investing in Canada Infrastructure Program (ICIP) Green Infrastructure	8,629,991			Green Infrastructure funding for the Lower Townsite Flood Mitigation Project Reaches 7 and 8. The total grant of \$8,629,991 consists of \$5,117,995 from the Government of Alberta and \$3,451,996 from the Government of Canada.
Investing in Canada Infrastructure Program (ICIP) COVID-19 Resilience		7,960,000		Approved for \$7,960,000 (\$3,800,000 for the Franklin and Main Park; \$800,000 for Real Martin Drive Trail Improvements and \$3,360,000 for Wood Buffalo Rehabilitation), representing 80% of eligible costs.
Municipal Stimulus Program (MSP)	13,276,133			Approved for capital spending up to December 31, 2022 for Waterline Extension from Parsons Creek to Taiganova (\$1,750,000), Waterline Extension to Millennium (\$1,725,000) and Flood Mitigation Reaches 5, 6 and 10 (\$9,801,133).
2020 Mitigation Funding (Ptarmigan Court)			11,000,000	Grant awarded to support the purchase/buyout properties and structures in the municipality
Recreation Energy Conservation Program		26,152		Casman Centre Heating Controls Upgrade
Total Capital Grants	\$ 75,842,697	\$ 64,174,770	\$ 31,927,299	

Capital Grants in Progress

Capital Grant Applications in Progress	Amount	Information
Alberta Municipal Water/Wastewater Program (AMWWP)	\$ 2,700,000	In 2022 an application was submitted for Conklin Water Treatment Plant Upgrades - Construction project. Estimated eligible costs are \$3.6 million. If successful, the program could fund up to 75% of these costs.
Universal Broadband Fund (UBF)	9,885,000	Application submitted to improve Broadband services to the hamlets of Anzac, Janvier, Conklin, Draper and Fort McKay and to provide high-speed internet to residents and businesses within these hamlets.
Federal Active Transportation Fund	9,810,000	In 2022, an application was submitted for the Snye Point Outdoor Event Space. If successful, the program could fund up to \$9.8 million of project costs.
Investing in Canada Infrastructure Program - Public Transit Stream and COVID-19 Resilience Stream	960,000	An application for \$960,000 towards the Saprae Creek Trail Rehabilitation Contract #2 is under review.
Federal Active Transportation Fund - Planning and Design Stream	100,000	Under the Planning and Design Stream of the Federal Active Transportation Fund, up to \$50,000 may be awarded per eligible project. Applications were submitted for two projects: a) Prairie Creek Perimeter Trail - Design b) Active Transportation Trail - Phase 2
Total Capital Grant in Progress	\$ 23,455,000	

Operating Grants Awarded

Operating Grants Awarded	2020	2021	2022	Information
Annual Grants				
Family & Community Support Services	\$ 1,924,513	\$ 1,924,513	\$ 1,924,513	Provincial level program through Alberta Human Services. Payment is based on population.
Outreach and Support Services Initiative (OSSI)	3,451,000	3,251,000	3,251,000	Provincial homelessness grant.
Reaching Home: Canada's Homelessness Strategy	844,713	1,972,652	1,940,399	Federal homelessness grant.
Police Services Grant (PSG)	1,509,840	1,509,840		Funding agreement is for one year from April 1, 2021 to March 31, 2022, based on a per capita calculation.
Victims of Crime Fund - Grant to Victims Services	307,500	373,750	299,000	Grant to provide services that benefit victims during their involvement with the criminal justice process.
Victims of Crime Fund - Indigenous Victims Outreach Specialist (IVOS)	100,000	125,000	100,000	Annual grant for Indigenous Victims Outreach Specialist.
One-Time Grants				
Municipal Operating Support Transfer (MOST)	12,350,057			The MOST provides funding to support municipalities for additional expenses and foregone revenues directly resulting from the COVID-19 pandemic.
Reaching Home: Canada's Homelessness Strategy - COVID-19 Supplement	744,997	1,135,067		A COVID-19 supplement was added to the annual Reaching Home Federal homelessness grant.
Population Fund	40,000			Provided by the Canadian Medical Association Foundation.
Alberta Community Partnership (ACP) - Alberta Senate Election		279,218		Grant to support the province-wide election of nominees of Canada's Senate and the Referendum Act.
Women's Economic Recovery Challenge (WERC)			158,450	Through the WERC grant, the Government of Alberta funds initiatives that help women's economic opportunities by providing strategies and solutions to address barriers. An application was submitted for the Workplace Inclusion Charter - Expansion and Implementation project.
Alberta Heritage Preservation Partnership Program			18,911	For the Wood Buffalo Heritage Resources Management Plan project. Project entails updating Heritage Survey documentation and developing a Heritage Inventory and Management Plan.
Alberta Community Restorative Justice (ACRJ)			15,000	Funding to assist in developing capacity to ensure Restorative Justice is available to all communities within the region.
Alberta Relief for Shortfalls for Transit Operators (RESTOR)			1,194,284	Grant to assist municipalities to recover from low transit ridership as a result of the COVID-19 pandemic.
Celebrate Canada Grant	32,000	25,000	35,000	Canadian Heritage provides financial support for Canada Day activities.
Tree Canada	7,000	269,825		Awarded for tree planting expenses.
FireSmart Home Action Rebate Program			100,000	Created from a grant from Intact Public Entities and Intact Financial Corporation, the FireSmart Home Action Rebate Program will help homeowners in the Region use fire-resistant materials in home upgrades.
Enbridge Safe Community Grant			7,500	Funding to support the Home Fire Safety Program, which provides residents in high fire-risk areas with alarm systems free of charge.
Total Operating Grants	\$ 21,311,620	\$ 10,865,865	\$ 9,044,057	



REGIONAL MUNICIPALITY
OF **WOOD BUFFALO**