

2023 Q1 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.

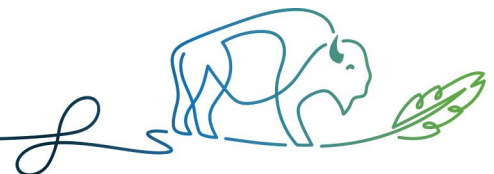


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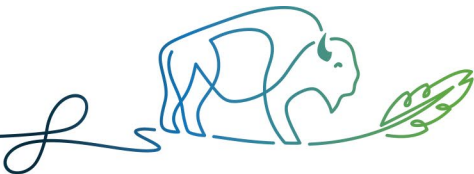
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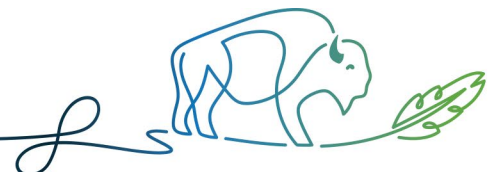


Municipal Operating Revenues and Expenses

As of March 31, 2023

	March Actual YTD	March Budget YTD	Budget YTD Variance Increase (Decrease)	Annual Budget
Revenues:				
Net taxes available for municipal purposes	\$ 114,922,538	\$ 115,152,200	\$ (229,662)	\$ 460,608,800
Government transfers	3,514,811	4,174,460	(659,649)	17,054,827
Sales and user charges	12,064,576	11,802,367	262,209	48,229,534
Sales to other governments	850,777	1,118,496	(267,719)	4,436,629
Penalties and costs on taxes	3,141,952	2,458,329	683,623	4,932,800
Licenses and permits	651,917	560,149	91,768	2,072,850
Fines	614,370	601,200	13,170	2,399,800
Franchise and concession contracts	2,392,741	2,425,000	(32,259)	8,600,000
Return on investments	6,945,338	4,922,500	2,022,838	19,694,000
Rentals	317,905	308,715	9,190	1,249,000
Other	1,024,106	795,999	228,107	2,839,200
Transfers from reserves for operations	1,000,000	1,040,250	(40,250)	1,151,000
	147,441,031	145,359,665	2,081,366	573,268,440
Expenses:				
Salaries, wages and benefits	60,360,178	61,581,762	(1,221,584)	242,903,211
Contracted and general services	16,156,801	21,808,663	(5,651,862)	101,854,112
Purchases from other governments	7,693,997	7,861,722	(167,725)	31,406,366
Materials, goods, supplies and utilities	9,262,620	11,264,189	(2,001,569)	41,908,551
Provision for allowances	2,438,753	1,721,598	717,155	4,986,400
Transfers to local boards and agencies	-	50,000	(50,000)	80,000
Transfers to individuals and organizations	8,489,995	10,015,255	(1,525,260)	24,859,885
Transfers to facilities	6,635,793	6,635,793	-	19,653,727
Bank charges and short-term interest	98,277	85,465	12,812	344,960
Other	23,611	4,940	18,671	21,860
	111,160,025	121,029,387	(9,869,362)	468,019,072
Reserves:				
Transfers to reserves for operations	26,320,743	26,312,341	8,402	105,249,368
	26,320,743	26,312,341	8,402	105,249,368
Operating surplus (deficit)	\$ 9,960,263	\$ (1,982,063)	\$ 11,942,326	\$ -

On December 1, 2022, RMWB Council approved the 2023 Budget, as shown in the Annual Budget column. The March Budget Year-To-Date (YTD) column shows the portion of the 2023 Budget that was allocated to the first three months. The Budget YTD variance column shows timing differences based on monthly allocation of the budget as well as differences that may impact year-end results.



As of March 31, 2023, the Municipality is aligned with the annual budget and no projected changes are required for this quarter. The second quarter financial results will provide a greater focus on potential year-end projections.

Operating Revenues

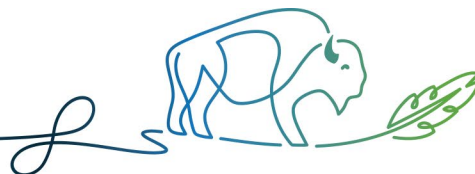
Year-to-date operating revenues to March 31, 2023 are \$147.4 million, which is \$2.0 million over the year-to-date budget. This is shown primarily in:

- Government Transfers – under budget by \$0.7 million due to CPH (Community Plan on Homelessness) grants budgeted earlier than recognized; this is offset by an expense timing difference from related grants that have not yet been released to organizations.
- Penalties and Costs on Taxes – over budget by \$0.7 million due to higher than anticipated overdue property taxes. This is offset by an increase in property tax bad debt expense.
- Returns on Investments – over budget by \$2.0 million due to higher than budgeted interest rates, particularly on short-term investments.

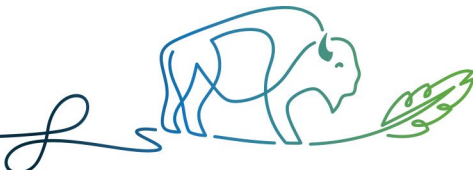
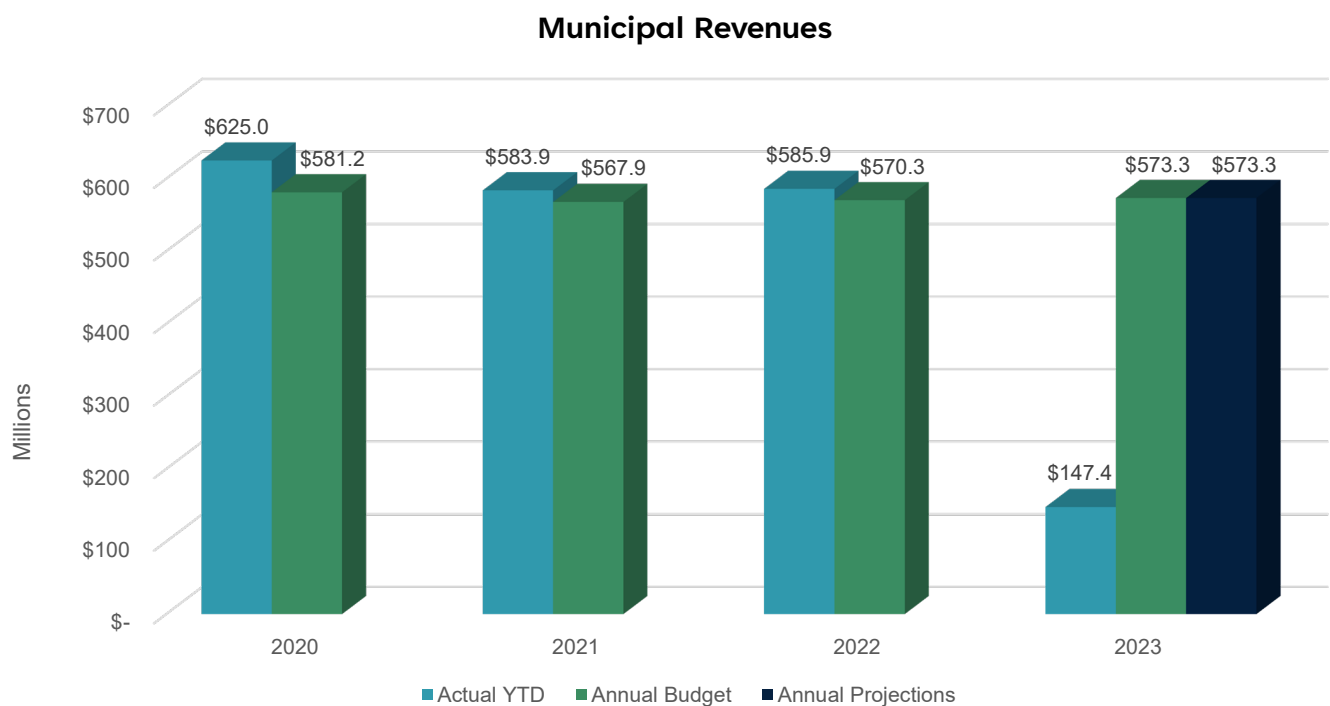
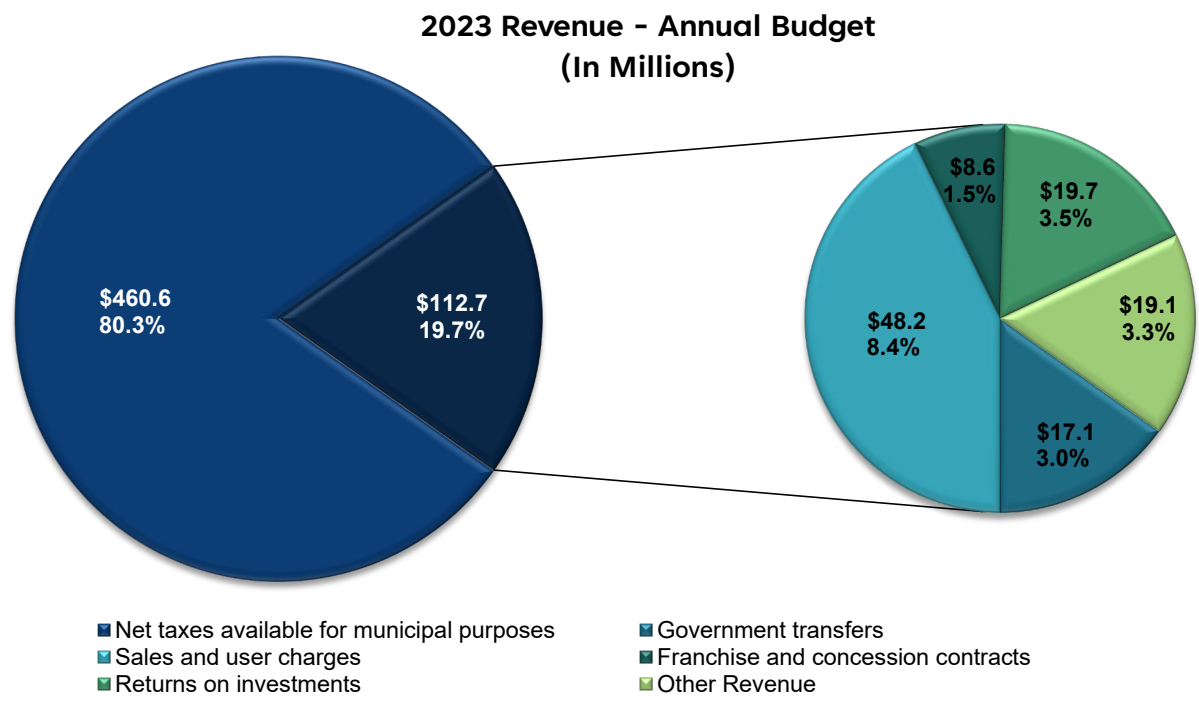
Operating Expenses

Year-to-date operating expenses to March 31, 2023, are \$111.2 million, which is \$9.9 million less than the year-to-date budget. This is shown primarily in:

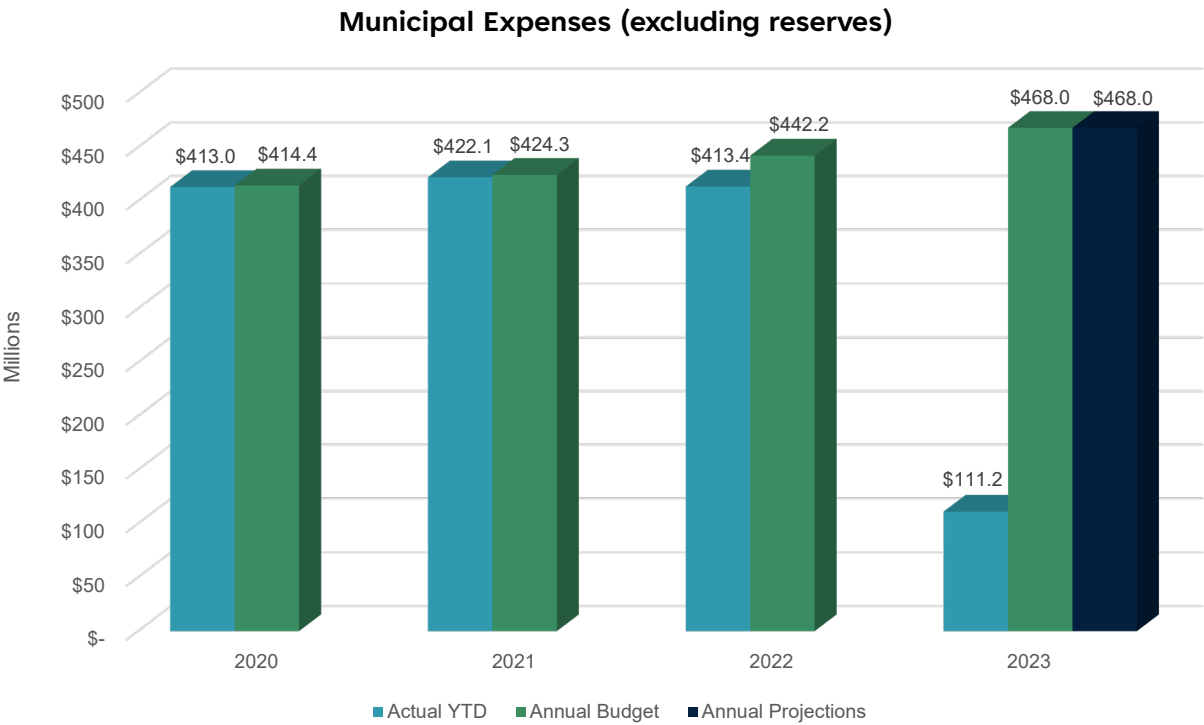
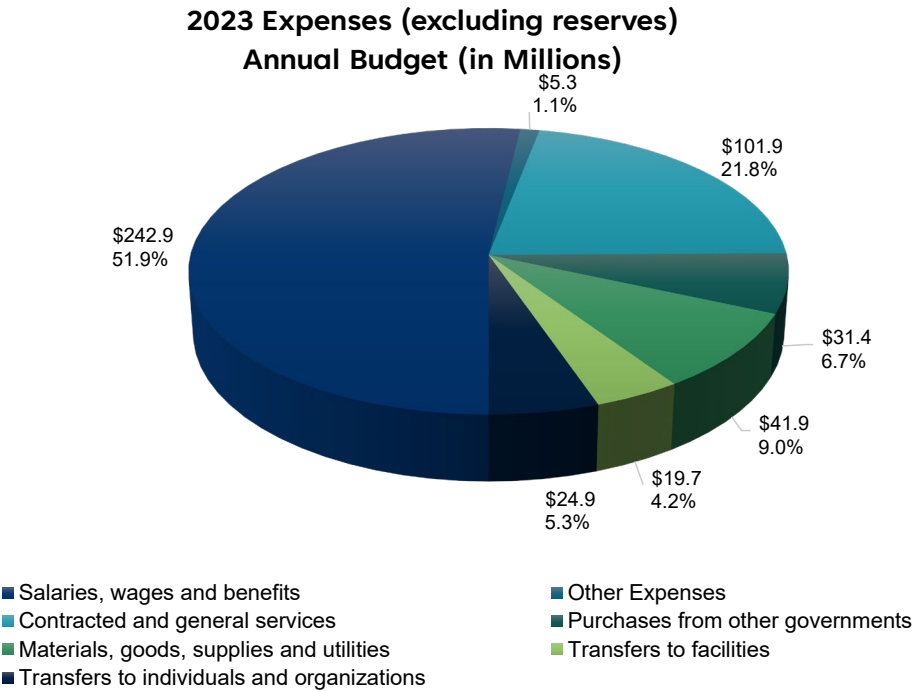
- Salaries, Wages and Benefits – under budget by \$1.2 million due to vacant positions that are in various stages within the recruitment process.
- Contracted and General Services – under budget by \$5.7 million primarily due to differences in the timing of the actual spend versus the budget, with larger variance stemming from a lack of internal capacity in the areas of Facilities and Environmental Services, which lead to delays in the execution of projects as scheduled.
- Materials, Supplies, Goods and Utilities – under budget by \$2.0 million, with \$1.1 million arising from timing differences between actual and budgeted spend for equipment and supply purchases, and \$0.9 million from budgeted inflationary increases for the cost of utilities (natural gas, propane, and electricity) which have not yet been realized.
- Provision for Allowances – increase of \$0.7 million due to higher than expected overdue property tax accounts.
- Transfers to Individuals and Organizations – decrease of \$1.5 million. This includes \$0.7 million in CPH grants budgeted earlier than paid, which is offset by a revenue timing difference of the same amount (see the above note with regards to the offsetting Government Transfers revenue). In addition, \$0.8 million in other grants (that are not funded by Government Transfers revenue) were also budgeted earlier than issued. These timing differences are expected to be resolved by the end of the year.



Revenues



Expenses



Financial Position

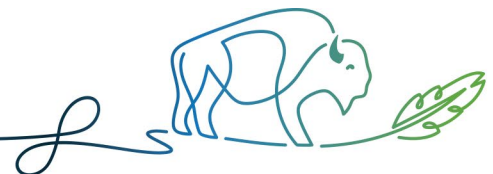
Capital Project Spending

As of March 31, 2023

Project Name	2023 YTD Actual Spend
Top 20	
Public Works North Facilities	\$ 3,282,346
Rural Water/Sewer Servicing Construction	1,411,116
Waterline Extension From Parsons Creek to Millenium - Construction	1,394,034
2021 Replacement of Pumper Truck - Fort McMurray	976,875
Jubilee Major Maintenance 2020	694,007
Fleet Heavy Equipment Replacements (2023)	585,500
A Frame Road Paving, Lift Station & Sanitary Forcemain Installation	557,212
Waterline Extension From Parsons Creek to Taiganova - Construction	391,555
Flood Mitigation – Construction	478,230
Rural Infrastructure Rehabilitation 2015-2017 Construction	354,520
Transit at 160 Maintenance Shop Exhaust System	285,540
King Street Booster Rehabilitation - Construction	282,763
Rural Egress Road - Anzac & Janvier Design	225,511
Urban Infrastructure Rehabilitation Design	224,484
CAMA (Computer Assisted Mass Appraisal) and Tax System Review-Construction	213,027
Spray Park Replacement Program	197,810
Fire Hall 5 Maintenance Shop Exhaust System	186,762
Flood Mitigation - Predesign/Design	151,284
Enterprise Resource Planning	164,768
Confederation Way Sanitary Sewer - Contract 3 (Phase 2 Construction)	105,365
All Other Projects (76 projects)	3,245,071
Total Capital Spending (96 projects)	\$ 15,407,780

The Municipality approved the 2023 capital budget of \$135.8 million. As of March 31, 2023, the capital budget has been revised to \$136.7 million stemming from 2023 capital budget amendments. As of March 31, 2023, \$15.4 million has been spent on the delivery of capital projects.

The top three projects by spending – Public Works North Facilities, Rural Water/Sewer Servicing Construction and Waterline Extension from Parsons Creek to Millennium – Construction, account for 40% of the total spend.

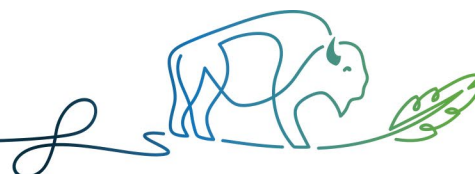


Bank

Bank
As of March 31, 2023
(in Millions)

Cash	
Operating - Bank Balance	\$ 130.7
Investments	1,098.4
Total Cash	1,229.1
Committed Funds	
Operating Requirements	157.0
Deferred Revenue	
Grants	72.6
Developer Agreements	3.3
Offsite Levies	3.0
	78.9
Reserves	
Committed Funds	
Capital	386.6
Emerging Issues	83.2
Operating	76.3
	546.1
Total Committed Funds	782.0
Remaining	\$ 447.1

The current amount of cash in the bank plus investments total \$1.2 billion as of March 31, 2023. The commitments against this balance include \$157.0 million for operating requirements, \$78.9 million in deferred revenues, which is money the Municipality has received in advance but is committed to spend in the future, and \$546.1 million in committed reserve funds.



Investments

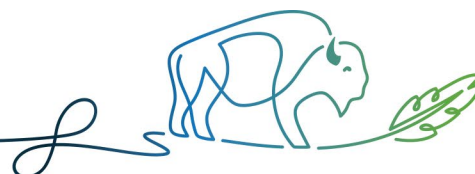
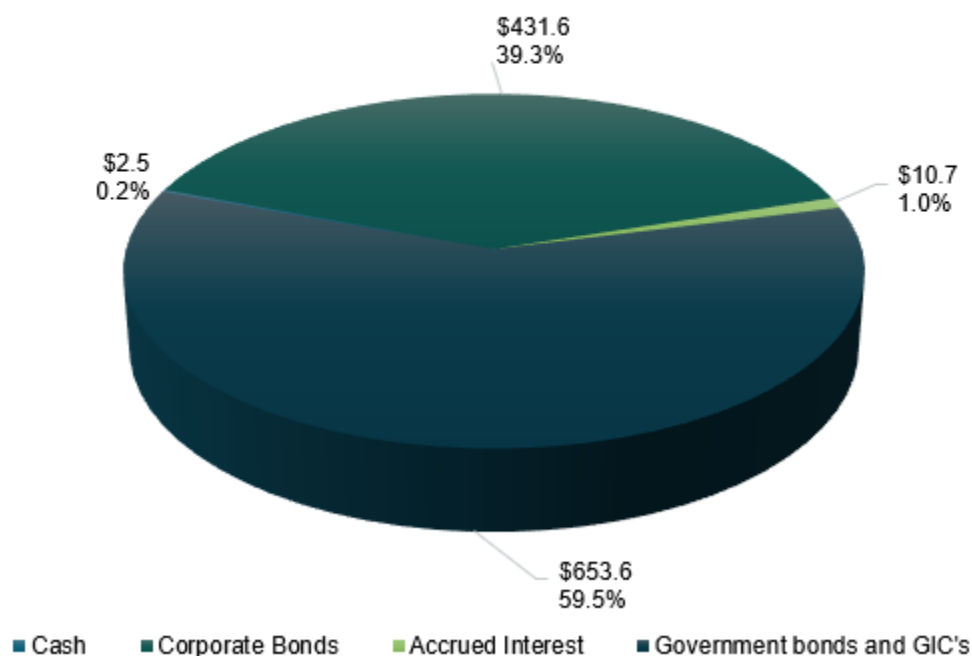
The Municipality has \$1.1 billion in investment holdings as of March 31, 2023, of which \$227.8 million are short-term investments with maturity dates under one year. Returns on investments to March 31, 2023, total \$6.9 million with \$4.9 million from investment income and \$2.0 million from interest income.

Investment Holdings (in Millions)

(In Millions)

Type:	Book Value @ December 31, 2022	Book Value @ March 31, 2023	Market Value @ March 31, 2023
Corporate bonds	\$ 396.9	\$ 431.6	\$ 591.1
Government bonds and GICs	678.9	653.6	387.4
Cash	6.8	2.5	1.8
Accrued interest	10.9	10.7	10.6
Total	\$ 1,093.5	\$ 1,098.4	\$ 990.9

Investment Holdings by Type - Book Values (in Millions)

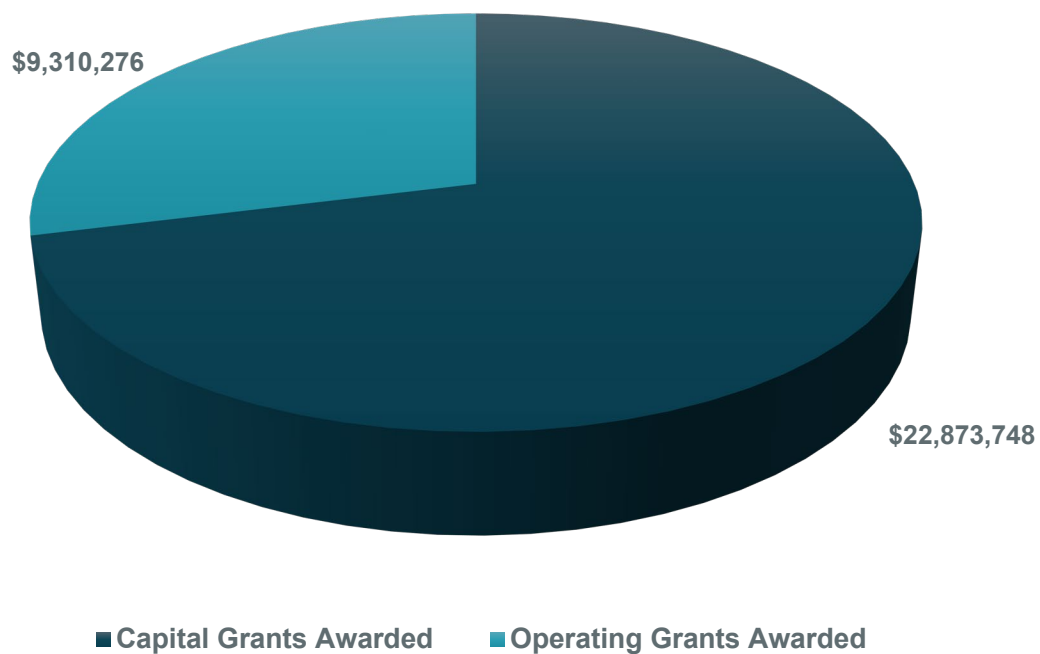


Grants

As of March 31, 2023

The Municipality has been awarded grants totaling \$32.2 million as of the first quarter, comprised of \$22.9 million in capital grants and \$9.3 million in operating grants. Material grants are summarized below.

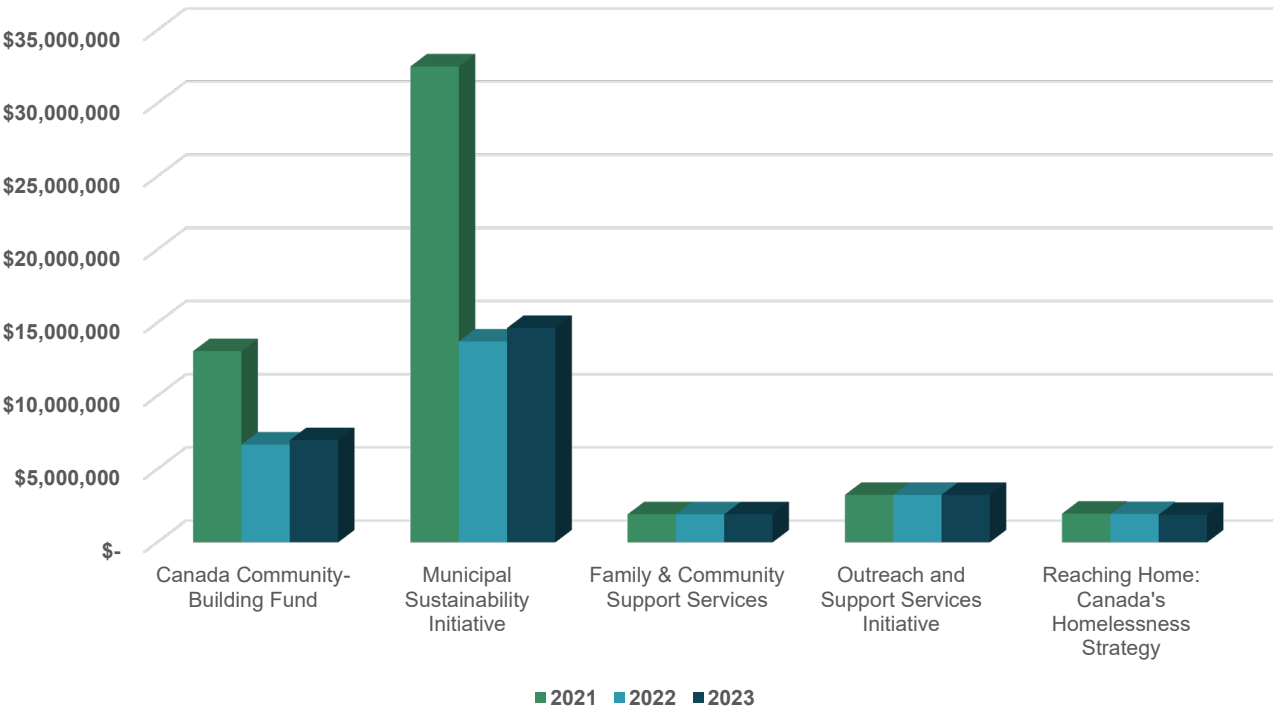
2023 Year-to-date Capital and Operating Grants



Annually Recurring Grants

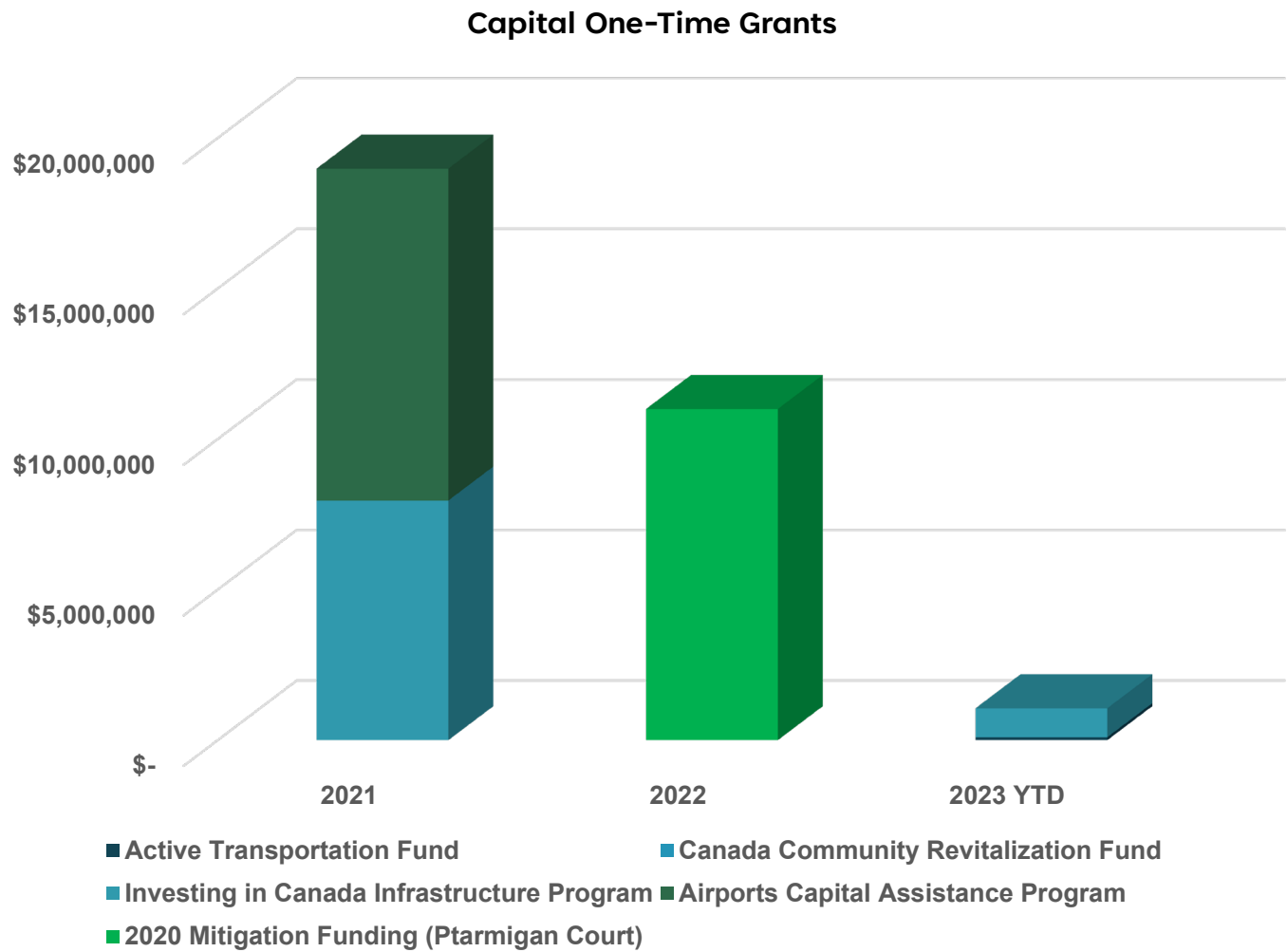
- The Canada Community-Building Fund (CCBF; formerly Gas Tax Fund) - \$6.7 million was awarded to fund capital projects including Thickwood Perimeter Sewer Construction and Rural Water and Sewer Servicing.
- The Provincial Municipal Sustainability Initiative (MSI) - \$14.7 million was awarded to fund 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

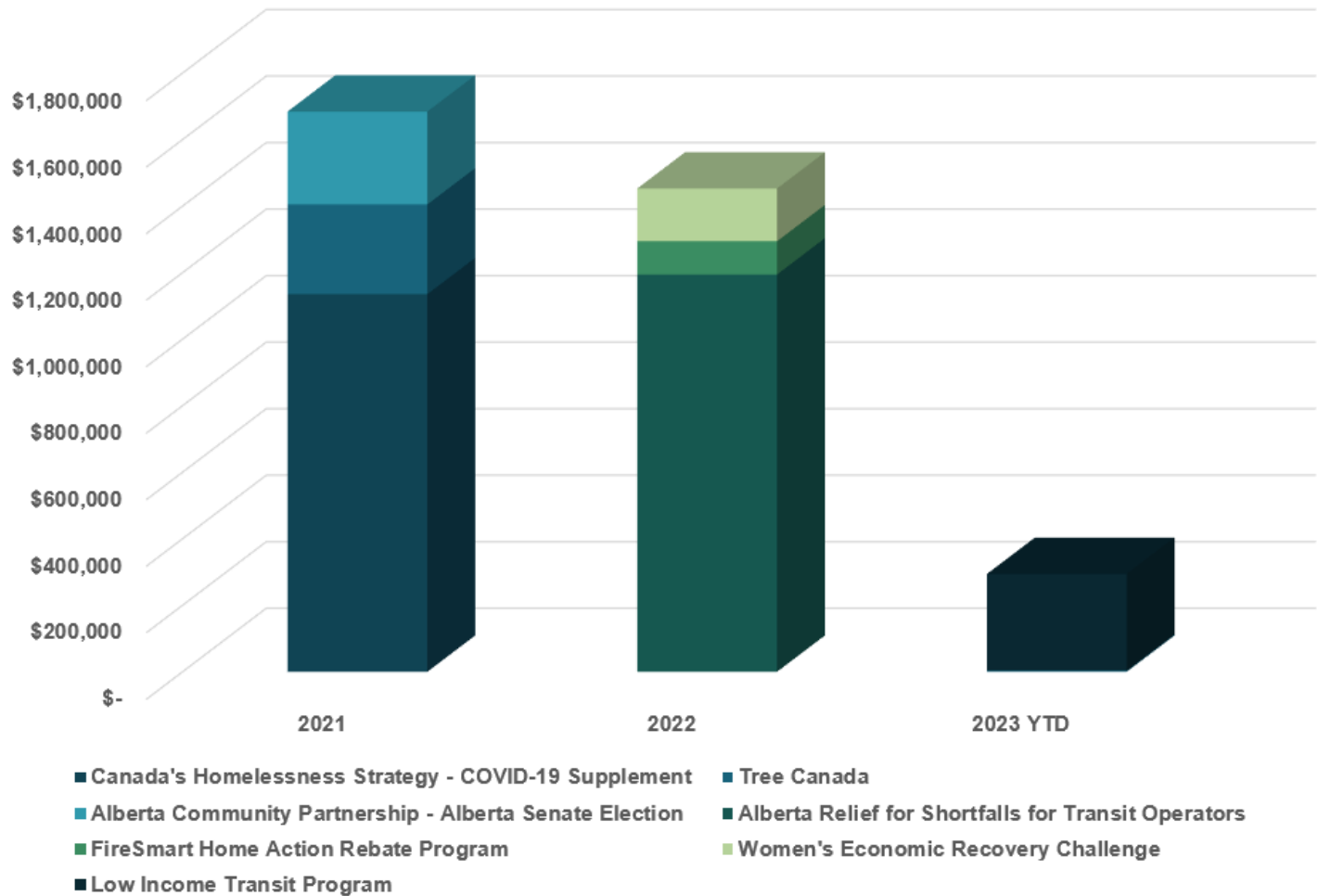


One-time Grants

- Investing in Canada Infrastructure Program (ICIP) Covid-19 Resilience - \$1.0 million to fund Sapræ Creek Trail Rehabilitation.
- Low Income Transit Program (LITP) - \$0.3 million to support RMWB’s Bus Pass Program which expands access to public transportation.



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 listing.



Extraordinary Events

2020 River Break Up

The Municipality has spent \$30.4 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 March 31, 2023, \$29.7 million has been submitted to DRP or is a submission in progress.

2020 River Break Up Recoverable Costs

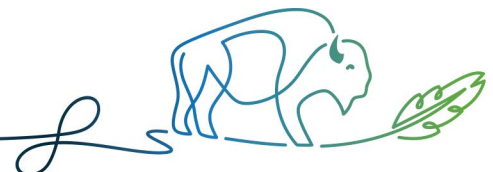
April 24, 2020 to March 31, 2023

	DRP	Insurance	Total
Approved Submissions	\$ (1,027,699)	\$ (500,000)	\$ (1,527,699)
Submitted - Not Yet Approved	(4,521,914)	-	(4,521,914)
In Progress	(24,194,543)	(162,390)	(24,356,933)
Total 2020 River Break Up Recoverable	(29,744,156)	(662,390)	(30,406,546)
Advances Received	20,000,000	500,000	20,500,000
Total 2020 River Break Up Costs Advanced (Unrecovered)	\$ (9,744,156)	\$ (162,390)	\$ (9,906,546)

2020 River Break Up Project Summary

April 24, 2020 to March 31, 2023

	RMWB Project Estimate	Actuals To Date	Remaining
DRP Response	\$ 10,500,000	\$ 10,285,374	\$ 214,626
DRP Recovery	21,800,000	19,458,782	2,341,218
Insurance	1,000,000	662,390	337,610
Total 2020 River Break Up Project Summary	\$ 33,300,000	\$ 30,406,546	\$ 2,893,454



2016 Wildfire

The Municipality has spent \$284.2 million in recoverable wildfire costs since May 2016. To date, the Province has advanced \$233.0 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 paid \$9.0 million.

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

As of March 31, 2023, \$237.2 million of claims have been submitted to the Province, of which \$4.3 million are under review for approval. No further claims will be submitted.

2016 Wildfire Recoverable Costs May 1, 2016 to March 31, 2023

	DRP	FireSmart	Insurance	Red Cross	Total
Approved Submissions	\$ (232,951,180)	\$ (5,987,179)	\$ (21,469,614)	\$ (7,523,532)	\$ (267,931,505)
Submitted - Not Yet Approved	(4,260,571)	-	-	-	(4,260,571)
In Progress	-	-	-	-	-
Total 2016 Wildfire Operating Recoverable	(237,211,751)	(5,987,179)	(21,469,614)	(7,523,532)	(272,192,076)
Capital Spending	-	(2,379,686)	(8,160,401)	(1,463,927)	(12,004,014)
Total 2016 Wildfire Recoverable	(237,211,751)	(8,366,865)	(29,630,015)	(8,987,459)	(284,196,090)
Advances Received	232,951,180	8,366,865	29,630,015	8,987,459	279,935,519
Total 2016 Wildfire Costs					
Advanced (Unrecovered)	\$ (4,260,571)	\$ -	\$ -	\$ -	\$ (4,260,571)



Appendix

Detailed Capital and Operating Grants

As of March 31, 2023

Capital Grants Awarded

Capital Grants Awarded	2023 YTD	2022	2021	Information
Annual Grants				
Canada Community-Building Fund (formerly Gas Tax Fund)	\$ 6,991,789	\$ 6,692,949	\$ 13,077,286	2023 YTD amount includes the full year's grant. 2021 amount included a one-time top-up of \$6,389,882.
Municipal Sustainability Initiative (MSI)	14,654,149	13,737,225	32,531,521	2023 YTD amount includes the full year's grant. The MSI grant will be replaced by the LGFF (Local Government Fiscal Framework) in 2024. The 2021 amount included an \$11.6 million advance of MSI grants that would otherwise be issued from 2022 to 2023.
9-1-1 Grant	167,810	661,883	474,319	The objective of the 911 Grant Program is to strengthen and support local delivery of 911. The 2023 YTD amount includes one of four quarterly installments.
One-Time Grants				
Active Transportation Fund (ATF)	100,000	-	-	Infrastructure Canada awarded \$50,000 towards each of two projects: Active Transportation Trail Phase 2 and Prairie Creek Perimeter Trail.
Airports Capital Assistance Program (ACAP)	-	-	11,021,416	Transport Canada approved of grant funding for Fort Chipewyan Airside Pavement Rehabilitation.
Canada Community Revitalization Fund (CCRF)	-	750,000	-	Awarded for the Snye Point Outdoor Event Space.
Investing in Canada Infrastructure Program (ICIP) COVID-19 Resilience	960,000	-	7,960,000	To date, \$8,920,000 has been awarded for the following projects: \$3,800,000 for the Franklin and Main Park in 2021 \$800,000 for Real Martin Drive Trail Improvements in 2021 \$3,360,000 for Wood Buffalo Rehabilitation in 2021, and \$960,000 for Sapræe Creek Trail Rehabilitation in 2023.
2020 Mitigation Funding (Ptarmigan Court)	-	11,000,000	-	Grant awarded to support the purchase/buyout of properties and structures within the Municipality.
Recreation Energy Conservation Program	-	-	26,152	Casman Centre Heating Controls Upgrade
Total Capital Grants	\$ 22,873,748	\$ 32,842,057	\$ 65,090,694	

Capital Grants in Progress

Capital Grant Applications in Progress	Amount	Information
Investing in Canada Infrastructure Program (ICIP) - COVID-19 Resilience Stream	\$ 8,945,459	In March 2023, four applications were submitted for the following projects. If approved, grant funds of up to \$8,945,459 may be awarded. Memorial Park Phase 2 Building Management (Automation) System Fort Chipewayn 6 Bay Garage and Animal Control Facility - Phase 2 Conklin Water Treatment Plant Upgrades - Construction
Green and Inclusive Community Buildings Program (GICB)	18,827,144	Application was submitted in February 2023 for the Fort McKay Community Center construction project.
	1,899,839	Application was submitted in February 2023 for the Centerfire Ice Plant project.
Northern Regional Economic Development Program (NRED)	200,000	An application was submitted in January 2023 for Downtown Wayfinding Entry Signs and Downtown Streetscape Improvements. If approved, grant funds of up to \$200,000 may be awarded.
Universal Broadband Fund (UBF) and Alberta Broadband Fund (ABF)	9,885,000	In 2021, an application was submitted under the UBF 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. A similar application was submitted in March of 2023 under the Alberta Broadband Fund.
Total Capital Grant in Progress	\$ 39,757,442	

Operating Grants Awarded

Operating Grants Awarded				Information
Annual Grants	2023	2022	2021	
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)	3,251,000	3,251,000	3,251,000	Provincial homelessness grant.
Police Services Grant (PSG)	1,509,842	1,509,842	1,509,840	Funding agreement is for one year from April 1, 2022 to March 31, 2023, based on a per capita calculation.
Reaching Home: Canada's Homelessness Strategy	1,877,246	1,940,399	1,972,652	Federal homelessness grant.
Victims of Crime Fund - Grant to Victims Services	299,000	299,000	373,750	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	100,000	125,000	Annual grant for Indigenous Victims Outreach Specialist.
Celebrate Canada Program	40,000	35,000	25,000	Canadian Heritage provides financial support for Canada Day activities.
One-Time Grants	2023 YTD	2022	2021	
Low Income Transit Program (LITP)	290,328	-	-	In Q1 of 2023, the Government of Alberta awarded \$290,328 to support RMWB's low-income bus pass program for the period of April 1, 2022 to March 31, 2024.
Fire Services Training Program Grant	4,347	-	-	Awarded to support costs of internal course delivery.
New Horizon for Seniors Program (NHSP)	10,500	-	-	Awarded to support the cost of advertising to reach out to volunteers for the RMWB Snow Angels Program.
Reaching Home: Canada's Homelessness Strategy - COVID-19 Supplement	-	-	1,135,067	A COVID-19 supplement was added to the annual Reaching Home Federal homelessness grant in 2021.
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.
Tree Canada	3,500	-	269,825	Awarded for tree planting expenses. 2023 amount is to be used at Dickinsfield school sites.
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	\$ 9,310,276	\$ 10,553,899	\$ 10,865,865	

Unsuccessful Grant Applications

Unsuccessful Capital and Operating Applications	2023 YTD	Information
Emergency Management Preparedness Program (EMPP)	\$ 25,000	In March 2023, an operating grant application was not approved for the project: Business Continuity Planning in the Private Sector - Building on Relationships and Resiliency in the RMWB.
Alberta Municipal Water/Wastewater Program (AMWWP)	2,700,000	In March 2022, an application was submitted for the Conklin Water Treatment Plant Upgrades - Construction project. By Q1 of 2023, we were informed that our application was not approved. Therefore, a separate grant application was submitted under the ICIP COVID-19 Resilience Stream.
Federal Active Transportation Fund	9,810,000	An application was submitted in 2022 for the Snye Point Outdoor Event Space. We were informed that the application was not approved in January 2023.
Total Unsuccessful Capital and Operating Applications	\$ 12,535,000	



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OF **WOOD BUFFALO**