

2013
REGIONAL MUNICIPALITY OF WOOD BUFFALO

FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

Alberta, Canada

Regional Municipality of Wood Buffalo, Alberta, Canada

2013 Financial Report For the year ended December 31, 2013

This Financial Report has been prepared and compiled by the Regional Municipality of Wood Buffalo Finance Department in cooperation with all municipal departments and controlled entities.



Information on the Regional Municipality of Wood Buffalo is available via the internet at www.woodbuffalo.ab.ca



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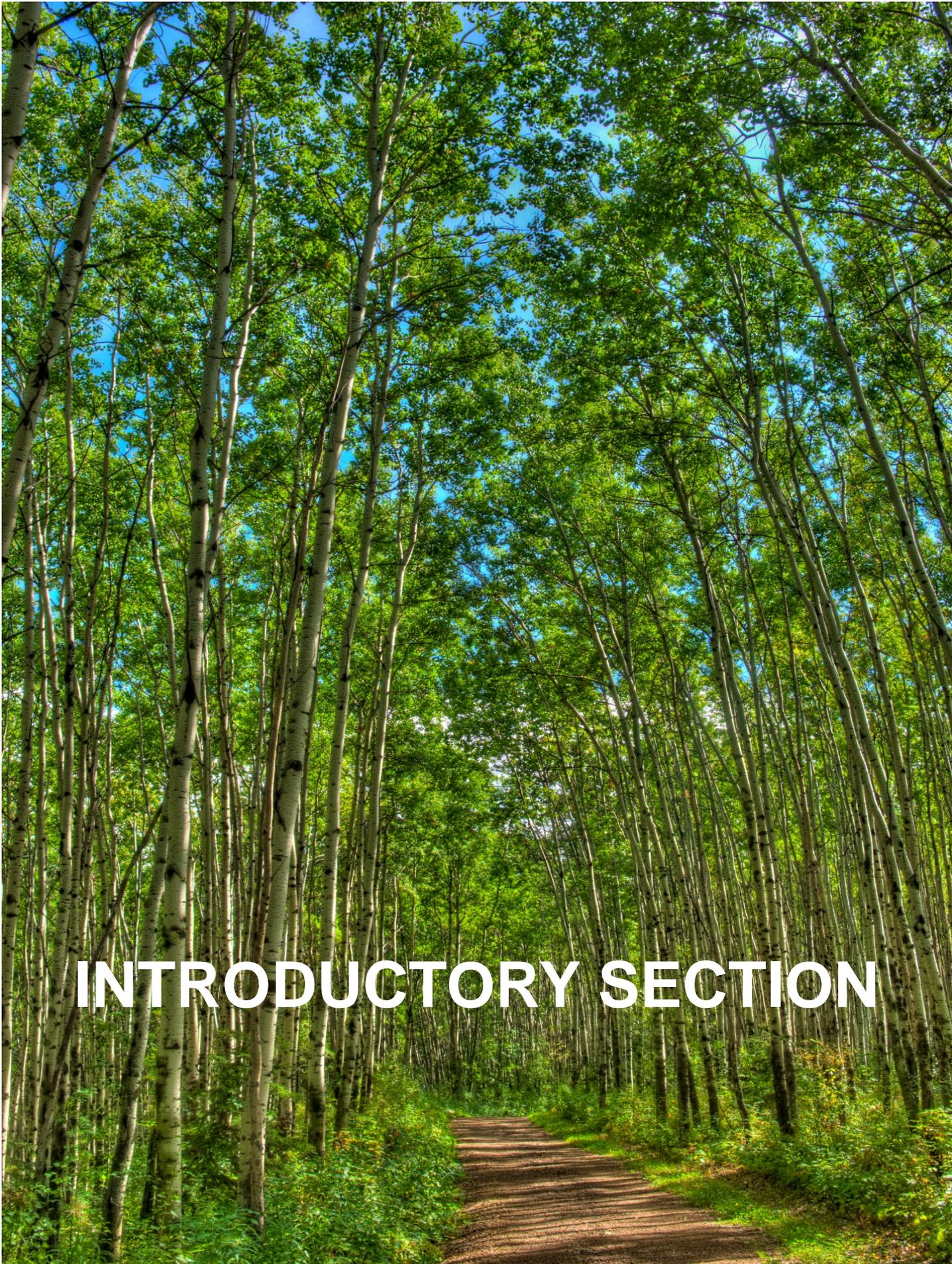
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INTRODUCTORY SECTION

GOVERNANCE STRUCTURE



Mayor
Melissa Blake

WARD 1



Tyran
Ault



Guy C.
Boutilier



Lance E.
Bussieres



Sheldon
Germain



Keith
McGrath



Phil
Meagher

WARD 2



Julia
Cardinal



John H.
Chadi

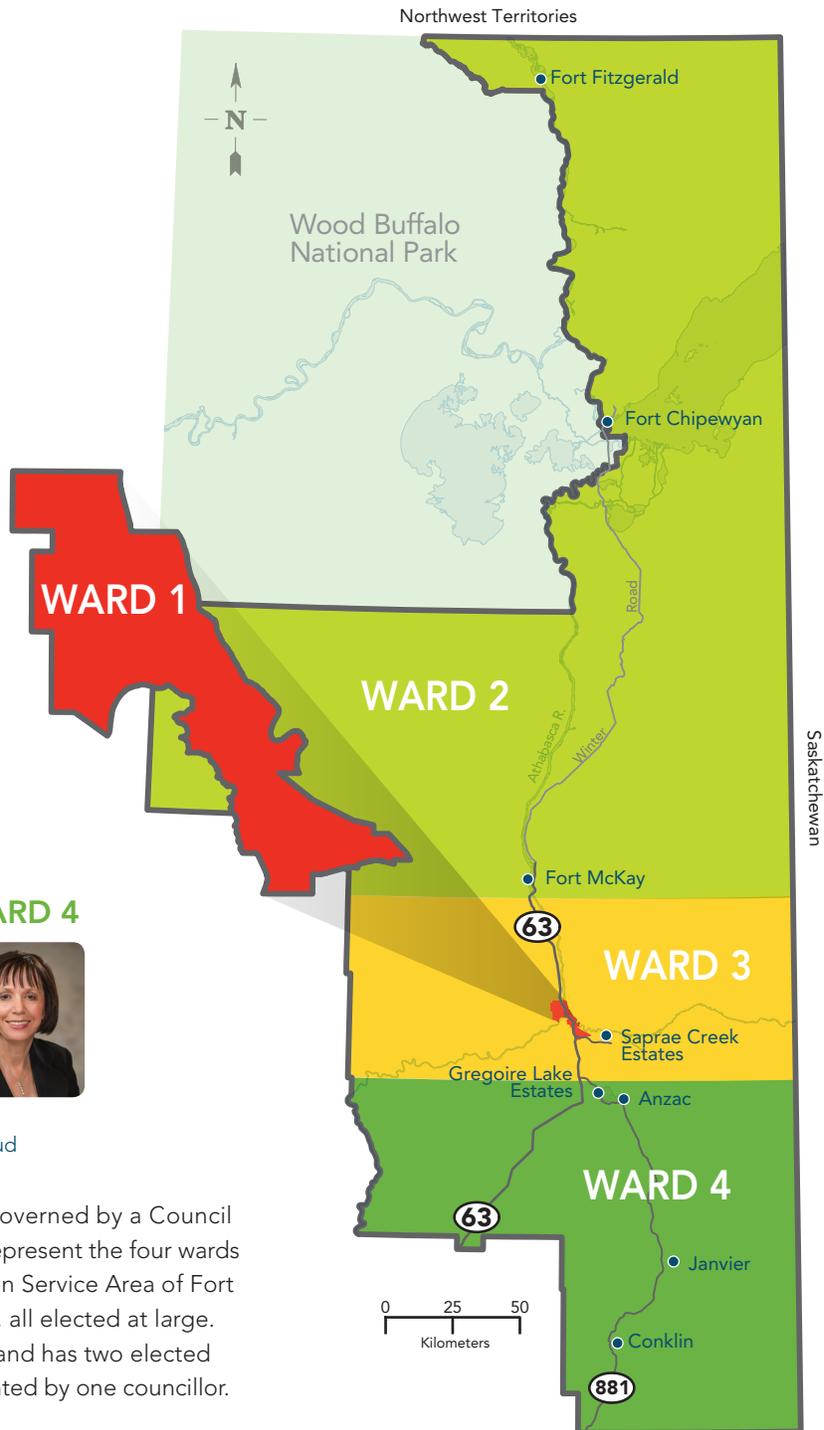


Allan
Vinni

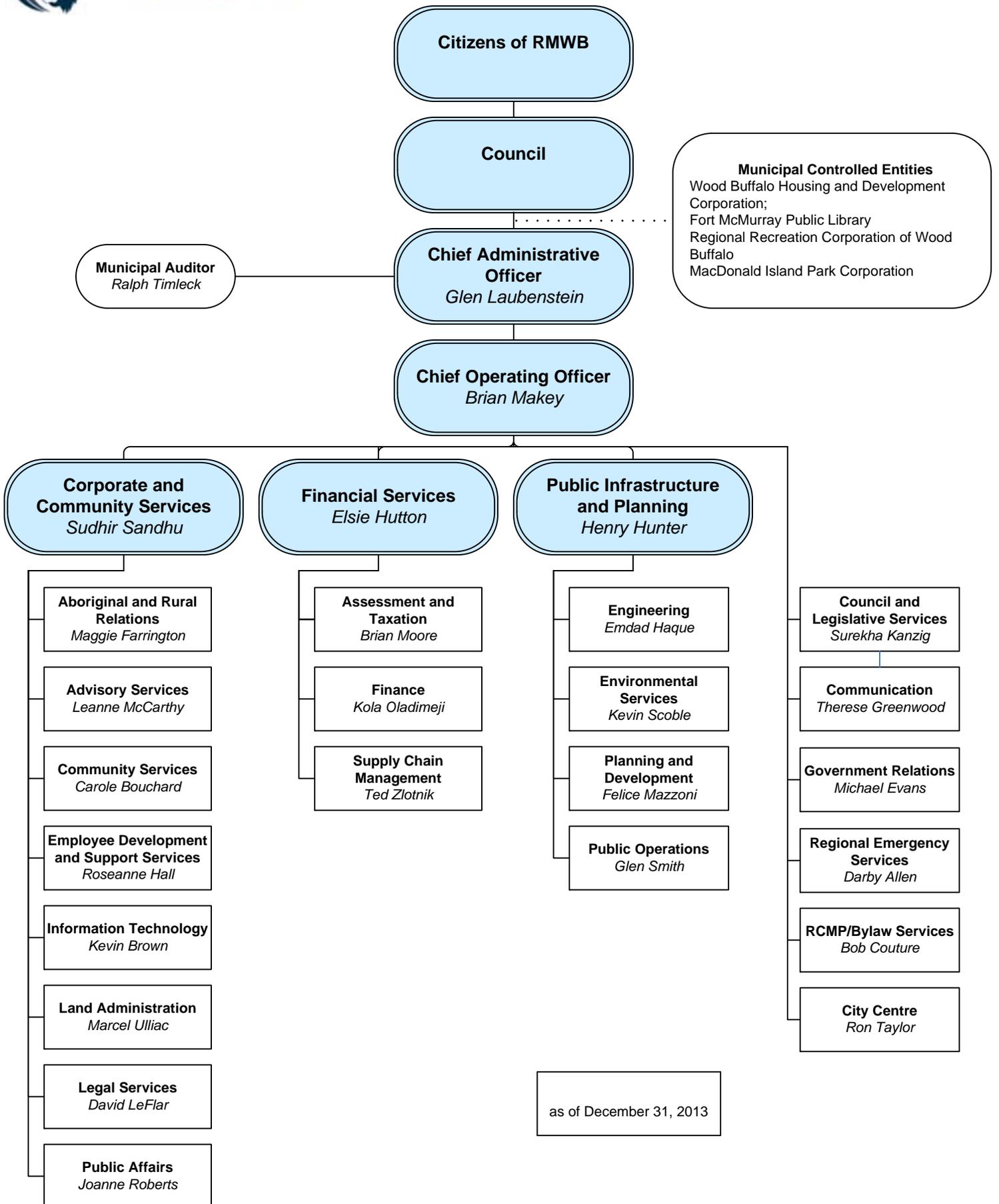
WARD 3

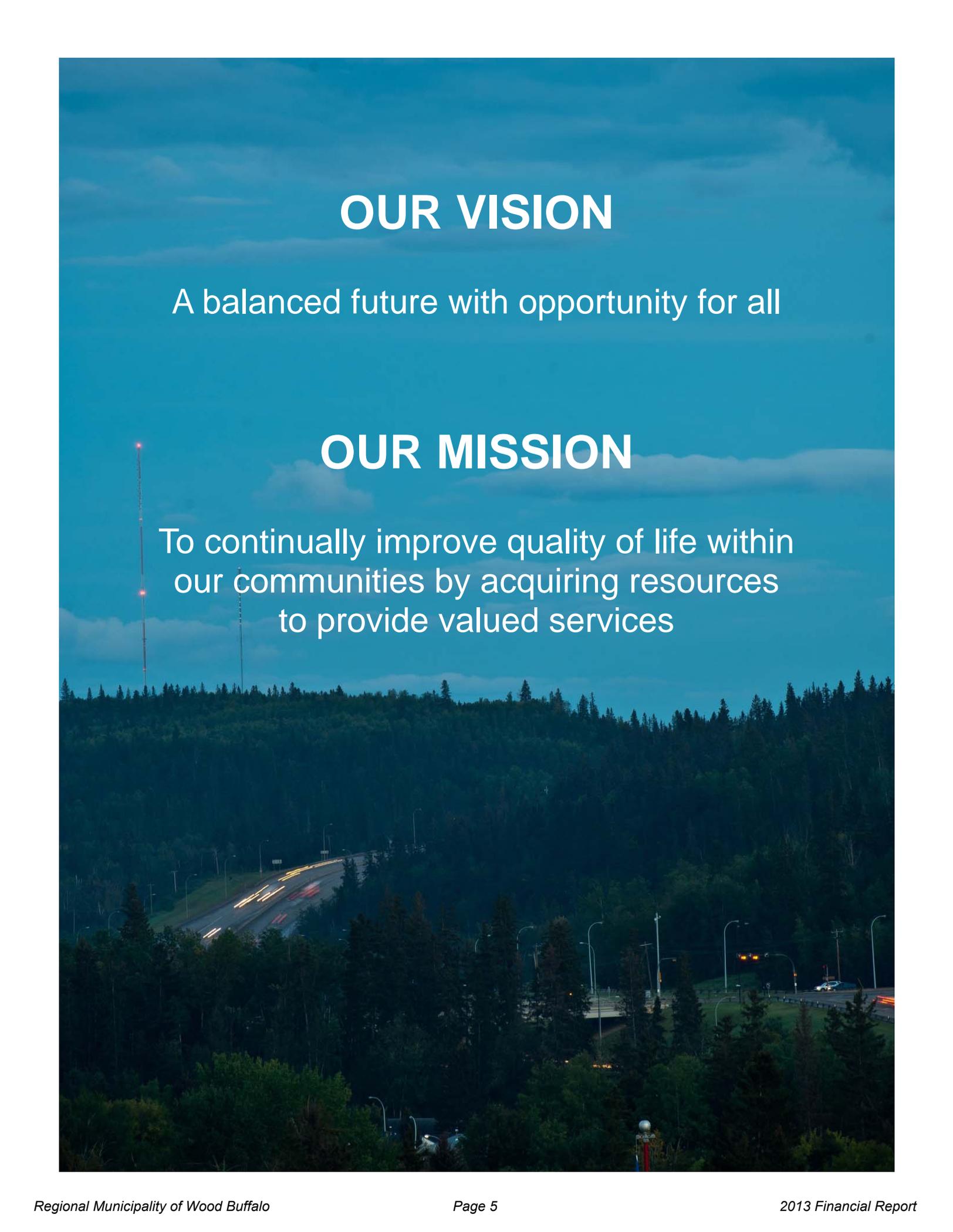


Jane
Stroud



The Regional Municipality of Wood Buffalo is governed by a Council of eleven members, who have been elected to represent the four wards covering the region. Ward 1 consists of the Urban Service Area of Fort McMurray, and is represented by six Councillors, all elected at large. Ward 2 is the largest ward in terms of land area and has two elected representatives. Wards 3 and 4 are each represented by one councillor.





OUR VISION

A balanced future with opportunity for all

OUR MISSION

To continually improve quality of life within our communities by acquiring resources to provide valued services

REGIONAL MUNICIPALITY OF WOOD BUFFALO PROFILE



The Regional Municipality of Wood Buffalo, located in the northeast corner of Alberta, Canada is among Canada's largest and fastest growing municipalities. With 68,454 square kilometres, it is among Canada's largest municipalities and is larger than the Province of Nova Scotia and more than double the size of Belgium. It is largely wilderness, covered primarily by boreal forest and muskeg.

Growth in the oil sands has made our Municipality's economy among the strongest in Canada, with average household incomes nearly twice the national average. Employment opportunities have attracted residents from across Canada and around the globe making for a diverse population.

The Municipality includes the urban center of Fort McMurray which is roughly 450 kilometres north of the province's capital, Edmonton. Nine rural communities are dispersed over 500 kilometres from the most southern community of Conklin to the region's northernmost community, Fort Fitzgerald. The communities within the Regional Municipality of Wood Buffalo are Fort McMurray, Anzac, Conklin, Draper, Fort Chipewyan, Fort Fitzgerald, Fort McKay, Gregoire Lake Estates, Janvier and Sapræ Creek Estates.

Regional Municipality of Wood Buffalo Community Profiles

Fort McMurray

Nested in the forest valley where the Athabasca and Clearwater rivers meet is Wood Buffalo's urban center, the community of Fort McMurray. Originally established as a Hudson's Bay Company trading post in 1870, today Fort McMurray draws attention from around the world as the residential and commercial focal point of Canada's oil sands industry drawing residents from all regions of Canada and around the world.

Anzac

The hamlet of Anzac is on the western shore of Willow Lake in the southern region of the Municipality and is in close proximity to Gregoire Lake Provincial Park. Located approximately 45 kilometres southeast of Fort McMurray, Anzac can be accessed from Alberta Highways 63 and 881. Established in 1917 as a stopping point on the Alberta Great Waterways Railway Line, Anzac was named after the Australia and New Zealand Army Corps that surveyed the area during World War 1.

Conklin

The southernmost community in the Municipality is Conklin with residents largely of Metis descent. It is a quiet rural community located approximately 155 kilometres southeast of Fort McMurray on scenic Christina Lake with access from Alberta Highways 63 and 881.

Draper

Situated on the flood plains for the Clearwater River, Draper is only 12 kilometres south of Fort McMurray and can be accessed through Waterways, a suburban area of Fort McMurray. Draper was established in 1922 by Thomas Draper who opened a quarry and the McMurray Asphaltum and Oil Company business. Today the community is primarily made up of acreages built along the banks of the Clearwater River.

Fort Chipewyan

Nestled on the northwest shore of Lake Athabasca, Fort Chipewyan is one of the northern communities in the Municipality. Isolated by nature, Fort Chipewyan can only be accessed by plane or boat in the summer and by a winter road in the winter. Established as a trading post in 1788 by the Northwest Trading Company, Fort Chipewyan is the oldest settlement in all of Alberta where trapping and fishing activities are still enjoyed by the residents. Fort Chipewyan is the second largest community in the Municipality and many of the residents are Mikisew Cree First Nation, Athabasca Chipewyan First Nation and Metis.

Fort Fitzgerald

Located on the Alberta/Northwest Territories border, Fort Fitzgerald is the most northern hamlet in the Municipality. The nearest urban center is Fort Smith, Northwest Territories, which is 25 kilometres to the north. Fort Fitzgerald can be accessed from the south from Fort Chipewyan Winter Road and for the northwest on Highway 5. Fort Fitzgerald was originally named Smith's Landing until 1915 when it was renamed to honour the late Inspector Francis Joseph Fitzgerald of the North West Mounted Police.

Regional Municipality of Wood Buffalo Community Profiles (continued)

Fort MacKay

The hamlet of Fort MacKay is located 58 kilometres north of Fort McMurray on the west bank of the Athabasca River and is situated amongst many oil sands harvesting sites. Fort MacKay can be accessed from Highway 63 or an airstrip located in Mildred Lake, 3 kilometres south. Fort MacKay was established in 1820 by the Hudson Bay Company as a trading post but was not known as Fort MacKay until it was named after Dr. Williams Morrison MacKay in 1917. Many of the local residents are active members of the Fort MacKay First Nation which is part of the Athabasca Tribal Council and while the oil sands industry is the primary employer, forestry, hunting and trapping remain part of the local economy.

Gregoire Lake Estates

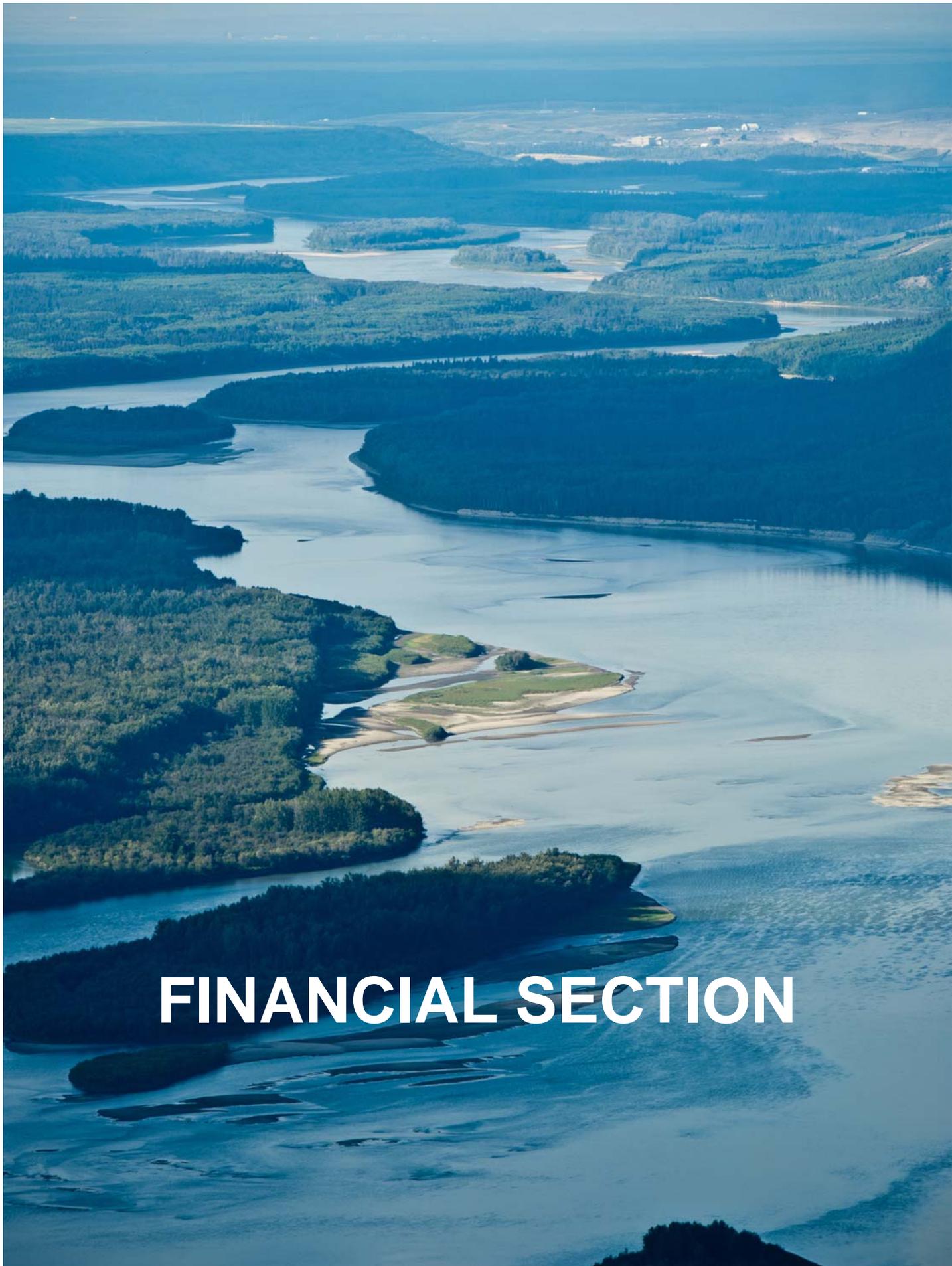
Located on the shores of Willow Lake, the hamlet of Gregoire Lake Estates is in close proximity to Anzac and Gregoire Lake Provincial Park. It is located approximately 35 kilometres southeast of Fort McMurray and can be accessed from Alberta Highway 881.

Janvier

Situated on the shores of Bohn Lake, the hamlet of Janvier is located in the southern region of the Municipality. It is approximately 120 kilometres south of Fort McMurray and can be accessed from Alberta Highway 881 as well as a small airstrip located in the community. Janvier has a large Metis population and is the home of the Chipewyan Prairie Dene First Nations.

Saprae Creek Estates

The hamlet of Saprae Creek is located 25 kilometres south of Fort McMurray and is the third largest community in the Municipality. It is situated on the crest of the Clearwater River Valley and can be accessed from Alberta Highway 69. Established in 1987, Saprae Creek is a forested acreage hamlet that serves as a bedroom community to Fort McMurray. Saprae Creek is home to Vista Ridge, a popular winter recreation facility that offers skiing, snowboarding and downhill tubing.



FINANCIAL SECTION

Chief Financial Officer's Report





Chief Financial Officer's Report For the year ended December 31, 2013

Introduction



Elsie Hutton, CMA

June 6, 2014

I am pleased to submit the financial report for the Regional Municipality of Wood Buffalo for the fiscal year ended December 31, 2013. The Alberta Municipal Government Act requires that each municipality prepare annual financial statements within four months of each fiscal year end. Following the Chief Financial Officer's report is a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with auditing standards generally accepted in Canada. Deloitte LLP has audited these financial statements and provided an unqualified opinion in their report dated April 22, 2014.

The Municipality provides multiple services to its residents. At a municipal level it provides protection to its citizens; recreational and cultural activities; affordable housing initiatives; water, sewer, and solid waste management services; road, bridge, sidewalk and trail maintenance; and city planning and development.

The Municipality's financial results include the following entities which it controls:

- Regional Municipality of Wood Buffalo Library,
- MacDonald Island Park Corporation,
- Regional Recreation Corporation of Wood Buffalo, and
- Wood Buffalo Housing and Development Corporation.

The financial statements bring together the financial results of these activities and entities. The Municipality is responsible for the fairness and completeness of the presentation and all disclosures, and the accuracy of the data. This report provides users with an overview of the Regional Municipality of Wood Buffalo's financial performance.

The purpose of the report is to provide the users and readers with clear insight of the financial results for the Municipality for the fiscal year ended December 31, 2013. Administration strives to ensure that this report fairly presents the financial position of the Municipality. The report compares how financial resources were used against budgets and past financial performance.

The financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes the Municipalities vision and mission statements, governance structure, organization chart, and profile. The financial section includes the Chief Financial Officer's Report (including management reporting and control, our future, and financial highlights) and the audited financial statements (including the independent auditor's report on the financial statements, the basic financial statements, and the notes to the financial statements). The statistical section includes selected financial and demographic information presented on a multi-year basis. This financial report should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

CHIEF FINANCIAL OFFICER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

Management Reporting and Control

Financial Governance

While the Municipality's management is responsible for the preparation of the financial statements, the Municipality's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. Municipal Council has established an Audit and Budget Committee to conduct these reviews and also to assist Council by making recommendations on these matters. Municipal Council is ultimately responsible for approving the Municipality's budget, appointing the auditor, and providing general financial authority and oversight.

Budget and Financial Reporting Process

Based on the input from Council, staff, citizens, and numerous other stakeholders, Municipal council establishes an annual operating budget each year as required by section 242 of the Municipal Government Act. This operating budget includes the required revenues to fund the Municipality's delivery of desired programs and services to the community and represents Municipal Council's priorities as identified in the Municipality's Municipal Development Plan, Strategic Plan, Fiscal Management Strategy and other sources. From year to year, services may be altered when Municipal Council identifies a clear need. The operating budget is prepared on a modified accrual basis where revenues are recognized in the period they are deemed available and measurable to meet or pay for liabilities. The operating budget does not include revenue from contributed assets, government transfers received for capital, gains or losses on disposal of tangible capital assets, or amortization expense.

The Municipality's Council also establishes an annual capital budget, as required by section 245 of the Municipal Government Act, based on the long-term projections of its 5 Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis and funded through debentures, reserve transfers, government transfers, and other sources. As is normal, a portion of the capital budget is carried forward for projects not completed within the fiscal year so budgets are not directly comparable with current year actual amounts.

Accounting Process

The Municipality is organized into various departments each supplying specific services to the Municipality and its residents. Each department is responsible for the delivery of their services in accordance with the resources allocated to the programs each department delivers. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Finance Department to each department. The Finance Department is responsible for recording, reporting and forecasting the Municipality's financial activities. To aid in decision making, the Finance Department provides Council with regular quarterly financial reports and management with regular monthly financial reports. The preparation of the annual financial reports for audit is also a responsibility of the Finance Department.

Audit Process

As per section 280 of the Municipal Government Act which requires municipal council to appoint an independent auditor, the Regional Municipality of Wood Buffalo's 2013 financial statements have been audited by Deloitte LLP. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the Regional Municipality of Wood Buffalo for the fiscal year ended December 31, 2013 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, assessing significant estimates made by management, and evaluating the overall financial statement presentation. Following a comprehensive audit process, working closely with Management, the auditor issued an unqualified opinion that the Regional Municipality of Wood Buffalo's financial statements for the year ended December 31, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the audited financial statement section of this report.

CHIEF FINANCIAL OFFICER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

Risks and Uncertainty

The Municipality is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practices and due diligence. Management promotes a proactive, corporate-wide, systematic approach to manage risks that could impact Municipal objectives.

Environmental Risk

The Municipality utilizes environmental management professionals to assist departments in complying with environmental laws and regulations. The Municipality has adopted policies and procedures to govern the Municipality's approaches, and the organization follows environmental systems which provide a sound model to effectively deal with environmental impacts associated with municipal activities. In addition, insurance policies are in place to handle potential unexpected environmental exposures.

Infrastructure Replacement

Municipal infrastructure is necessary to support a community's quality of life and economy. The Municipality applies long-term construction and maintenance plans and strategies to ensure that appropriate local infrastructure is available and continues to meet the Municipality's needs and growth projections. When the Municipality identifies infrastructure requirements that exceed its funding capacity, Municipal Council utilizes prioritization and looks for alternative sources of funding like government transfers, or borrowing. If not addressed a municipality's infrastructure deficit could cause decreased quality of life, damage to property and loss in productivity.

Insurance Exposures

The Municipality maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program has three components: a self-insured retention budget for all losses falling below policy deductibles, a municipal reciprocal insurance exchange where our subscriber group insures each other for medium size losses, and finally an insurance program purchased through well capitalized external insurers to cover for losses in excess of the two underlying deductibles. The Municipality's approach to risk management attempts to achieve a balance between insurance risk management and total costs.

Normal Operational Risk

In the usual course of business, the Municipality is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with each of the Municipality's programs and services, as well as social, legal, regulatory, and economic issues or changes that could impact Municipal operations, investment risk related to volatile financial markets, and human resource availability and costs.

Certain financial information is also prepared using estimates and judgments that are based on careful assessments through the Municipality's management and information systems. The Municipality maintains a system of internal controls to provide reasonable assurance as to the fairness and reliability of that information and data. These control systems are regularly reviewed and enhanced as required to ensure the production of timely, accurate and complete financial information to protect and safeguard Municipal assets.

Revenue Volatility

Certain categories of revenue are exposed to economic or other fluctuations. These include revenues related to interest revenues, user fees/charges, interest revenue, government transfers, development permits, etc. To address the challenge associated with revenue volatility, the Municipality employs conservative budgeting practices and monthly variance forecasting as well as monitoring of the financial market.

CHIEF FINANCIAL OFFICER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

Our Future

Nestled within the beauty of the boreal forest, the Regional Municipality of Wood Buffalo is one of Canada's largest and fastest growing Municipalities. Our population has doubled in the past ten years and is expected to more than double again in the next two decades. During that same time period, the region is also projected to inject over one trillion dollars into the Canadian economy.

Much of the growth is the result of the energy sector. The region is home to one of the largest oil reserves in the world and is the heart of Canada's energy future. The Regional Municipality of Wood Buffalo has also been identified as one of the top regions in Canada for entrepreneurs and one of the top communities for business in Alberta. The Municipality is keen to support local businesses and promote a culture of innovation, education and training to establish a more resilient economy through diversification.

While economic growth has brought many opportunities to the region, it has also provided challenges. Perhaps most significant is a lack of land for residential, commercial, recreational, cultural, and industrial development. Due to these competing interests, our land values have escalated resulting in high housing prices and a lack of retail services and other amenities.

In the summer of 2013 the Government of Alberta identified an urban development sub-region (UDSR) for the Regional Municipality of Wood Buffalo. The UDSR will provide a land bank for the development needs of the Regional Municipality of Wood Buffalo over the next 20 years. This will allow the Municipality – as opposed to the Provincial Government or another stakeholder – to plan for future growth and address the unique needs of this region.

Employment opportunities have attracted residents to the Regional Municipality of Wood Buffalo from across Canada and around the globe and our Municipality has a large First Nation and Métis heritage. Both of these factors create a culturally diverse population that is celebrated within the community. Bolstered by the Municipality's commitment to promoting the arts, culture, recreation and leisure activities within the region, we are building a stronger regional pride and deepening the sense of home and belonging among our residents.

Few municipalities in the world are presented with the opportunities that stand before the Regional Municipality of Wood Buffalo. The region's size, prosperity, diversity, and growth provide an unparalleled context to imagine the future; a future which includes new neighbourhoods, enhanced transportation networks, updated infrastructure, and improved services. This region is transforming in ways unlike anything ever experienced here before. We have a bold vision to be a global model for sustainable living in the north and we are looking forward to embracing the opportunity that our bright future brings.

**CHIEF FINANCIAL OFFICER'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Financial Highlights

Financial Trend Summary 2013

The financial data below provides an overview of the key financial information over the past three years. Readers should read this section in conjunction with the accompanying Consolidated Financial Statements and Note Disclosures.

Consolidated Financial Position	2013	2012	2011
Assets	745,989,965	913,930,193	992,804,481
Liabilities	805,466,086	842,784,372	950,506,372
Net financial assets (debt)	(59,476,121)	71,145,821	42,298,109
Non-financial assets	13,277,511	8,388,343	2,924,670
Net tangible capital assets	3,318,071,978	2,841,795,791	2,548,455,548
Total non-financial assets	3,331,349,489	2,850,184,134	2,551,380,218
Accumulated surplus	3,271,873,368	2,921,329,955	2,593,678,327

Revenues by Function	2013	2012	2011
Fiscal Services	555,618,582	502,054,453	483,518,716
General Government	139,417,065	131,727,065	149,682,150
Protection Services	19,072,434	16,698,157	14,464,122
Transportation	5,094,828	4,700,445	3,546,578
Environmental Use and Protection	57,526,349	54,552,733	49,506,983
Public Health and Welfare	1,822,295	1,920,015	1,859,393
Planning and Development	10,025,787	11,461,632	65,777,001
Recreation and Culture	1,210,216	643,677	800,726
Subsidiary Entities	48,462,338	59,831,873	73,350,216
Capital Contributions	73,721,884	40,345,352	10,333,890
Total Revenues by Function	911,971,778	823,935,402	852,839,775

Expenses by Function	2013	2012	2011
Fiscal Services	10,495,439	241,177	620,693
General Government	125,671,418	111,361,579	85,800,598
Protection Services	79,544,085	77,936,215	69,199,640
Transportation	102,488,491	90,134,416	84,381,398
Environmental Use and Protection	92,683,239	87,853,772	77,410,161
Public Health and Welfare	12,247,492	5,502,658	6,462,360
Planning and Development	24,297,730	20,273,033	17,503,301
Recreation and Culture	59,984,239	54,996,125	57,069,718
Subsidiary Entities	54,016,232	47,984,799	48,375,406
Total Expenses by Function	561,428,365	496,283,774	446,823,275

Annual Surplus (Deficit) by Function	2013	2012	2011
Fiscal Services	545,123,143	501,813,276	482,898,023
General Government	57,036,397	22,263,361	63,881,552
Protection Services	(60,471,651)	(61,238,058)	(54,735,518)
Transportation	(68,383,305)	(68,468,865)	(70,500,930)
Environmental Use and Protection	(35,156,890)	(11,818,668)	(27,903,178)
Public Health and Welfare	(10,425,197)	(3,582,643)	(4,602,967)
Planning and Development	(12,851,167)	(8,811,401)	48,273,700
Recreation and Culture	(58,774,023)	(54,352,448)	(56,268,992)
Subsidiary Entities	(5,553,894)	11,847,074	24,974,810
Total Annual Surplus (Deficit) by Function	350,543,413	327,651,628	406,016,500

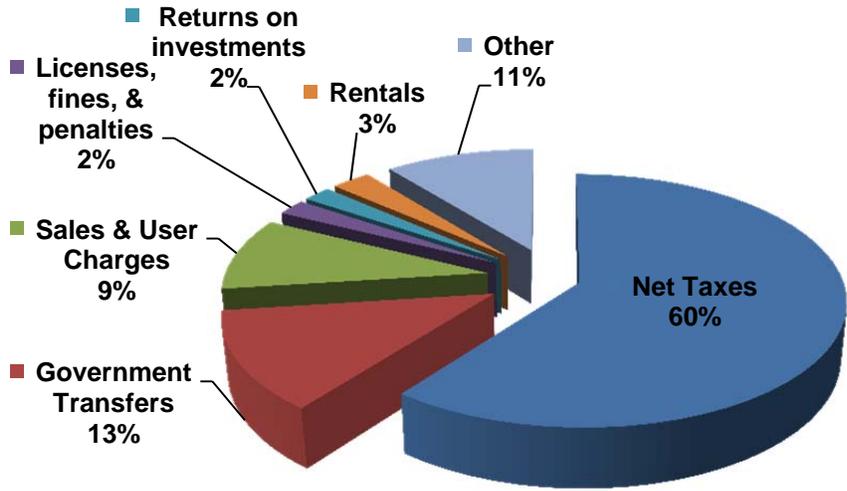
CHIEF FINANCIAL OFFICER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

Revenues

Overall revenues were \$163 million more than budgeted for 2013. This is largely due to the following events:

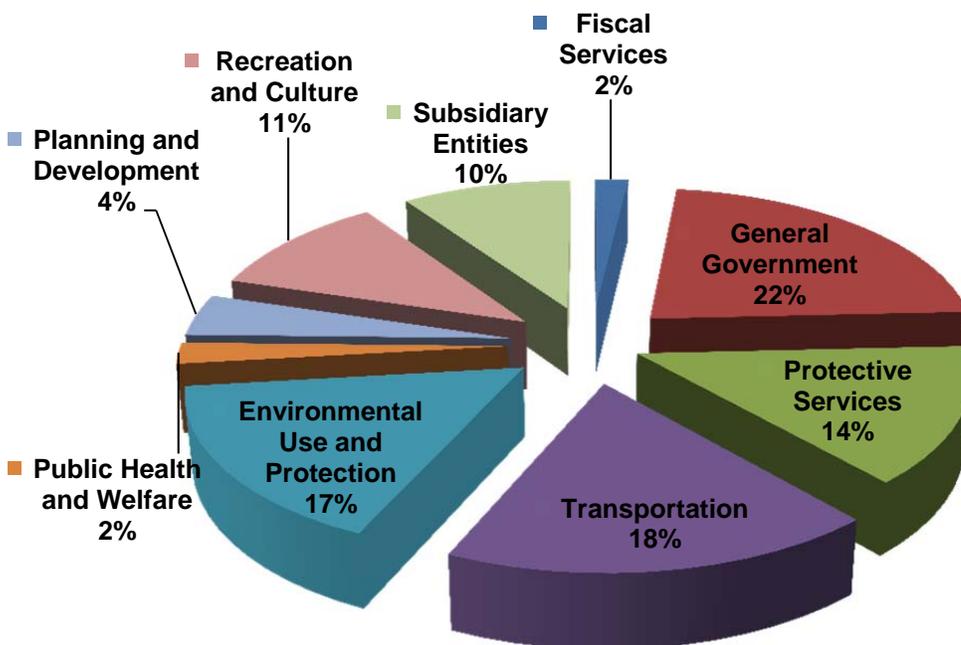
- Government transfers revenue was \$67 million more than budgeted due to capital provincial transfer revenues recognized in 2013 from funds deferred from prior years;
- Sales and user charges revenue was \$10 million more than budgeted due to:
 - \$4 million increase from higher demand and volume of services realized than anticipated,
 - \$5 million for flood recovery reimbursement, and
 - 1 million for insurance claim recoveries received as reimbursements were budgeted conservatively;
- Developers' agreements and levies revenue was \$11 million more than budgeted as no revenue was budgeted for this revenue category in 2013 due to development uncertainty; and
- Contributions of tangible capital assets revenue was \$74 million more than budgeted as the Municipality does not budget for contributed tangible capital assets due to their non-cash nature.

Consolidated Operating Revenue by Source



Expenses

Consolidated Operating Expenses by Segment



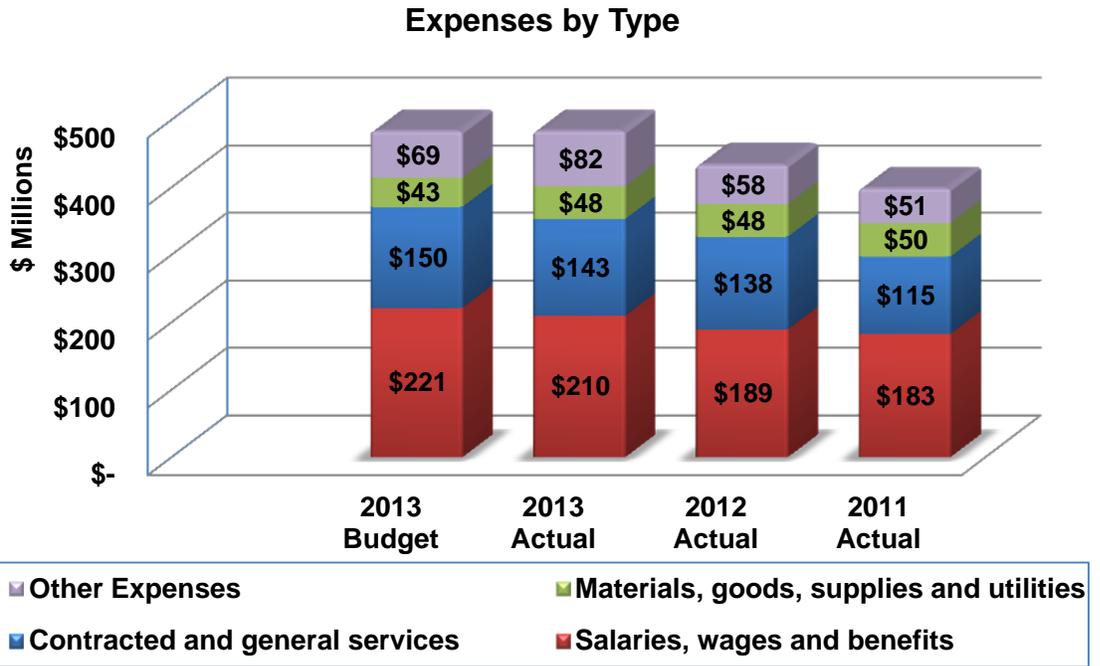
Overall expenses were \$78 million more than budgeted for 2013 due to amortization and loss on disposal not budgeted due to the non-cash nature of these transactions. This budget to actual difference impacts the segments as follows:

- General Government (\$13 million),
- Protective Services (\$2 million),
- Transportation (\$17 million),
- Environmental Use and Protection (\$28 million),
- Recreation and Culture (\$11 million), and
- Subsidiary Entities (\$7 million).

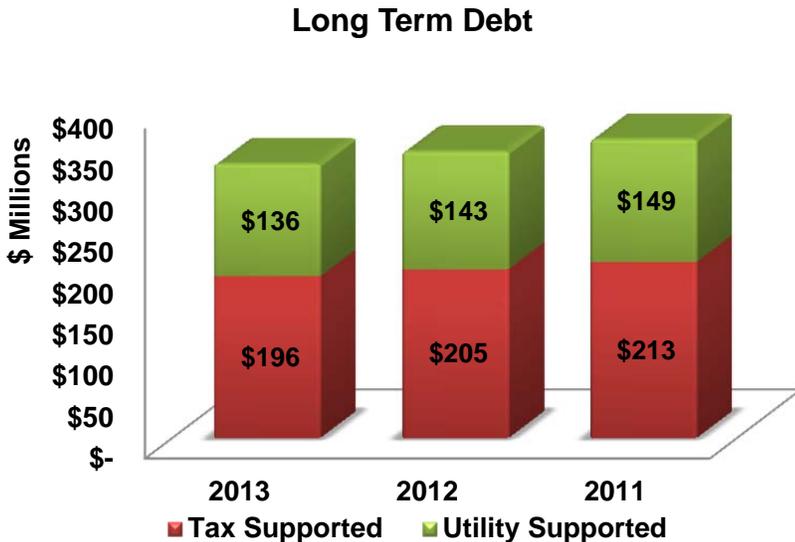
CHIEF FINANCIAL OFFICER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

Expenses by Type

The Consolidated Expenses by Object note in the 2013 financial statements details 2013 actual (\$561 million) and the budgeted (\$483 million) expenses by major type. The chart to the right graphically shows this information excluding amortization and disposal expenses (\$78 million).



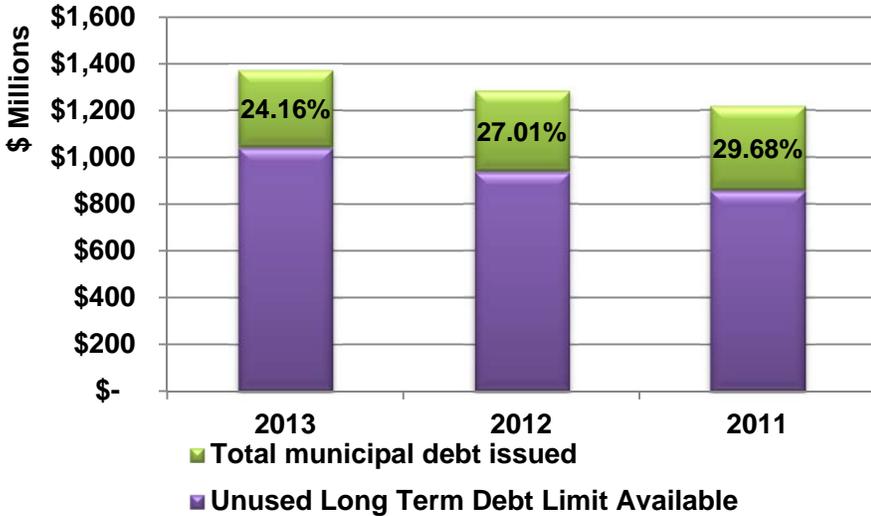
Long Term Debt



During 2013 the Long Term Debt decreased by \$16 million to \$332 million due to debt repayments during the year. There was no new borrowing during 2013.

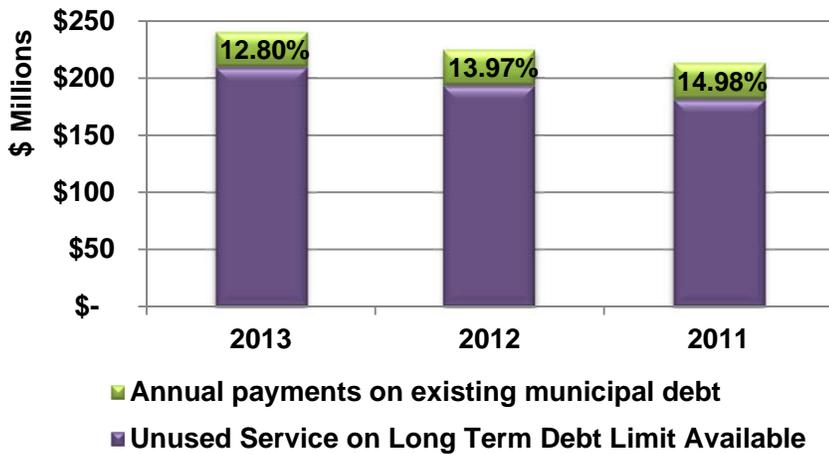
**CHIEF FINANCIAL OFFICER'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Debt Limit Usage



In 2013 the Municipality is utilizing 24.16% or \$332 million of the \$1,375 million available debt limit and 12.8% or \$31 million of the \$241 million available debt service limit. As the charts illustrate the debt and debt service limits are maintained at relatively stable levels without any major swings. This indicates that the debt levels are not negatively impacting the delivery of programs without compromising revenues for debt service. The debt shown in this section contains actual debt and does not incorporate the expected debt to be drawn in the future

Debt Service Limit Usage



The debt limit is prescribed by the Minister of Municipal Affairs for municipalities in the province and is defined as two times the applicable revenue of the Municipality and the debt service limit is calculated at 0.35 times of the same revenue. Municipal Council has set the Municipality's limit at 85% of the provincially regulated debt limits. The Municipality has elected to exclude revenues, total debt and debt services costs for certain controlled corporations from its debt limit and debt service limit calculations.

Audited Financial Statements



Consolidated Financial Statements of

**REGIONAL MUNICIPALITY
OF WOOD BUFFALO**

Year ended December 31, 2013

Consolidated Financial Statements of
REGIONAL MUNICIPALITY OF WOOD BUFFALO
Year ended December 31, 2013

Management's Responsibility for the Consolidated Financial Statements

Independent Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations and Accumulated Surplus

Consolidated Statement of Change in Net Financial Assets (Debt)

Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements

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

Elsie Hutton, CMA
Chief Financial Officer

Glen Laubenstein
Chief Administrative Officer

April 22, 2014

Independent Auditor's Report

To the Mayor and members of Council of the Regional Municipality of Wood Buffalo

We have audited the accompanying consolidated financial statements of the Regional Municipality of Wood Buffalo, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional Municipality of Wood Buffalo as at December 31, 2013, and the results of its operations, changes in its net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

April 22, 2014

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Financial Position

December 31, 2013

	2013	2012
		(Restated - Note 24)
Financial assets		
Cash and cash equivalents	\$ 109,871,998	\$ 83,910,430
Restricted cash (Note 2)	28,500,698	24,968,743
Taxes and grants in lieu receivable (Note 3)	6,777,064	5,795,482
Trade and other receivables (Note 4)	52,944,396	61,052,505
Inventories held for resale (Note 5)	735,511	1,102,347
Investments (Note 6)	536,733,108	726,473,330
Mortgages and notes receivable (Note 7)	10,427,190	10,627,356
	<u>745,989,965</u>	<u>913,930,193</u>
Liabilities		
Accounts payable and accrued liabilities	149,152,419	123,265,596
Deposit liabilities	11,265,718	8,706,412
Deferred revenue (Note 8)	192,908,082	241,809,794
Employee benefit obligations (Note 9)	19,355,331	16,562,013
Provision for landfill closure and post-closure obligation (Note 10)	12,478,720	13,518,275
Long-term debt (Note 11,12)	420,305,816	438,922,282
	<u>805,466,086</u>	<u>842,784,372</u>
Net financial assets (debt)	(59,476,121)	71,145,821
Non-financial assets		
Tangible capital assets (Note 13)	3,318,071,978	2,841,795,791
Consumable inventories	2,468,109	3,241,271
Prepaid expenses	10,809,402	5,147,072
	<u>3,331,349,489</u>	<u>2,850,184,134</u>
Accumulated surplus (Note 14)	<u>\$ 3,271,873,368</u>	<u>\$ 2,921,329,955</u>

Contractual obligations and contingent liabilities (Note 18)

See accompanying notes to financial statements.

Approved by:

Chief Financial Officer

Chief Administrative Officer

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

Year ended December 31, 2013

	Budget	2013	2012
			(Restated - Note 24)
Revenue:			
Net taxes available for municipal purposes (Note 15)	\$ 555,338,949	\$ 550,735,297	\$ 499,241,271
Government transfers (Note 16)	47,551,706	114,587,029	107,211,828
Sales and user charges (Note 21)	76,400,642	85,888,419	84,368,301
Sales to other governments	4,561,999	2,960,403	5,341,330
Penalties and costs on taxes	1,312,150	2,645,603	2,210,060
Licenses and permits	9,189,800	10,742,144	11,132,361
Fines	4,415,100	5,304,681	5,532,318
Franchise and concession contracts	4,195,498	5,225,944	4,576,685
Returns on investments	20,693,339	18,419,609	22,120,784
Rentals	21,966,171	25,749,993	24,462,760
Developers' agreements and levies	-	11,007,606	12,260,757
Other	3,283,579	4,983,166	4,396,343
Gain on disposal of assets	-	-	735,252
	748,908,933	838,249,894	783,590,050
Expenses (Note 17):			
Council and other legislative	1,945,030	1,658,700	1,916,781
General administration	118,321,493	113,482,912	101,258,749
Other general government	4,637,517	3,756,576	3,909,702
Police	36,210,812	35,137,123	37,842,090
Fire	26,142,948	28,479,539	26,540,852
Disaster and emergency measures	822,154	399,646	1,204,450
Ambulance and first aid	8,437,300	9,237,720	8,548,337
Bylaws enforcement	7,396,119	7,034,898	5,031,365
Common and equipment pool	27,451,167	30,377,380	26,131,187
Roads, streets, walks, lighting	27,105,090	44,994,959	42,868,481
Public transport	23,462,166	25,982,977	24,038,594
Storm sewers and drainage	1,140,107	1,134,703	3,601,100
Water supply and distribution	27,619,002	38,548,309	32,609,306
Wastewater treatment and disposal	22,191,850	33,472,306	28,907,210
Waste management	19,766,537	20,660,283	23,027,289
Family and community support	8,422,754	11,248,025	5,369,083
Day care	25,000	25,000	15,060
Cemeteries and crematoriums	156,862	229,506	118,515
Land use planning, zoning and development	14,154,041	12,173,231	11,630,567
Subdivision land and development	6,844,424	9,149,381	5,238,834
Public housing operations	24,000,504	35,018,634	35,665,090
Land, housing and building rentals	3,188,101	2,971,485	3,403,454
Recreation boards	1,503,681	1,623,039	1,800,987
Parks and recreation	56,942,258	65,985,329	55,244,031
Culture: libraries, museums, halls	10,594,844	11,370,170	5,482,571
Other	4,856,713	5,642,222	4,880,089
Loss on disposal of tangible capital assets	-	11,634,312	-
	483,338,474	561,428,365	496,283,774
Annual surplus before other	265,570,459	276,821,529	287,306,276
Other:			
Contributions of tangible capital assets	-	73,721,884	40,345,352
Annual surplus	265,570,459	350,543,413	327,651,628
Accumulated surplus, beginning of year	2,921,329,955	2,921,329,955	2,593,678,327
Accumulated surplus, end of year	\$ 3,186,900,414	\$ 3,271,873,368	\$ 2,921,329,955

See accompanying notes to consolidated financial statements.

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2013

	Budget	2013	2012
			(Restated - Note 24)
Annual surplus	\$ 265,570,459	\$ 350,543,413	\$ 327,651,628
Acquisition of tangible capital assets	(629,132,702)	(481,902,985)	(337,188,825)
Contributions of tangible capital assets	-	(73,721,884)	(40,345,352)
Write down on tangible capital assets	-	-	7,396,000
Loss (gain) on disposal of tangible capital assets	-	11,634,312	(735,252)
Amortization of tangible capital assets	-	66,249,827	62,981,082
Proceeds on disposal of tangible capital assets	-	1,464,543	14,552,104
	(363,562,243)	(125,732,774)	34,311,385
Use (acquisition) use of consumable inventories	-	773,162	(2,728,163)
Acquisition of prepaid expenses	-	(5,662,330)	(2,735,510)
	-	(4,889,168)	(5,463,673)
Change in net financial assets	(363,562,243)	(130,621,942)	28,847,712
Net financial assets, beginning of year	71,145,821	71,145,821	42,298,109
Net financial assets (debt), end of year	\$ (292,416,422)	\$ (59,476,121)	\$ 71,145,821

See accompanying notes to consolidated financial statements.

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Cash Flows

Year ended December 31, 2013

	2013	2012
Cash provided by (used in):		(Restated - Note 24)
Operating:		
Annual surplus	\$ 350,543,413	\$ 327,651,628
Items not involving cash:		
Contributions of tangible capital assets	(73,721,884)	(40,345,352)
Loss (gain) loss on disposal of tangible capital assets	11,634,312	(735,252)
Amortization of tangible capital assets	66,249,827	62,981,082
Write down of tangible capital assets	-	7,396,000
Change in non-cash assets and liabilities:		
Restricted cash	(3,531,955)	(1,821,172)
Taxes and grants in lieu receivable	(981,582)	(471,452)
Trade and other receivables	8,108,109	49,296,130
Inventories for resale	366,836	5,416,888
Accounts payable and accrued liabilities	25,886,823	(9,849,347)
Deposit liabilities	2,559,306	(43,033)
Deferred revenue	(48,901,712)	(24,433,938)
Employee benefit obligations	2,793,318	2,676,181
Provision for landfill closure and post closure costs	(1,039,555)	1,327,785
Consumable inventories	773,162	(2,728,163)
Prepaid expenses	(5,662,330)	(2,735,510)
Cash provided by operating transactions	335,076,088	373,582,475
Capital:		
Proceeds on disposal of tangible capital assets	1,464,543	14,552,104
Acquisition of tangible capital assets	(481,902,985)	(337,188,825)
Cash applied to capital transactions	(480,438,442)	(322,636,721)
Investing:		
Decrease (increase) in mortgages and notes receivable	200,166	(2,641,336)
Decrease in investments	189,740,222	29,384,597
Cash provided by investing transactions	189,940,388	26,743,261
Financing:		
Long-term debt issued	22,196,067	-
Long-term debt repaid	(40,812,533)	(17,410,063)
Cash applied to financing transactions	(18,616,466)	(17,410,063)
Change in cash and cash equivalents during the year	25,961,568	60,278,952
Cash and cash equivalents, beginning of year	83,910,430	23,631,478
Cash and cash equivalents, end of year	\$ 109,871,998	\$ 83,910,430

See accompanying notes to consolidated financial statements.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

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
Wood Buffalo Housing & Development Corporation
MacDonald Island Park Corporation
Regional Recreation Corporation of Wood Buffalo

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 schedule of 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.

(iv) Trust funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements.

(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 market value assessments determined in accordance with the MGA. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on assessment appeals outstanding as at December 31.

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, provided the transfers are authorized, any eligibility criteria have been met by the Municipality, stipulations have been satisfied, 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

Year ended December 31, 2013

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 is 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 represent 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 and cash equivalents consists of bank deposits and 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) Investments:

Portfolio investments are recorded at amortized cost. Investment premiums and discounts are a 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

Year ended December 31, 2013

1. Significant accounting policies (continued):

(f) Inventories 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.

(g) 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	10 to 30
Buildings and building improvements	5 to 50
Engineered structures	10 to 75
Machinery and equipment	4 to 25
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) Natural resources

Natural resources that have not been purchased are not recognized as tangible capital assets in these consolidated financial statements.

(iv) 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.

(v) Capitalization of costs

The Municipality does not capitalize interest costs associated with the acquisition or construction of tangible capital asset with the exception of direct costs relating to certain rental properties under development, including carrying costs such as property taxes, interest on debt specifically related to the properties and other costs.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(vi) 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.

(vii) Consumable inventories

Consumable inventories are recorded at the lower of cost and replacement cost.

(h) Landfill closure and post-closure obligation:

The *Alberta Environmental Protection and Enhancement Act* sets 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.

(i) 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 services only basis. The Municipality is responsible for the employer share of benefit premiums throughout the year as well as any shortfall or surplus at the end of the period.

(j) 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, accrued liabilities, provisions for tax assessment appeals, tangible capital asset useful lives, provision for investment impairment as well as provisions made for allowances for taxes and other receivables and inventories.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(k) Adoption of new accounting standards:

The following summarizes changes to Canadian public sector accounting standards issued by the Public Sector Accounting Standards Board (PSAB) that have been adopted by the Municipality during the current fiscal year.

(i) Government Transfers

The updated Government Transfers section, PS3410, comes into effect for fiscal years beginning on or after April 1, 2012. This section pertains to government transfers received by the Municipality as well as contributions made by the Municipality to individuals, organizations or other governments and may be applied retroactively or prospectively. PS3410 clarifies the transferring government and recipient government recognition criteria, stipulations and authorization and the impact of these conditions on the accounting treatment. Further, this section provides requirements for financial statement presentation and disclosure.

The Municipality adopted this new standard prospectively in 2013. Government transfers received by the Municipality are reported as deferred revenue until events giving rise to the transfer have occurred at which time revenue is recognized in the period the associated expenses are incurred. Government transfers paid by the Municipality are reported as expenses when the eligibility criteria has been met and the transfer is authorized. As a result of adopting this standard, there has been no impact on the Municipality's consolidated financial statements.

(ii) Tax Revenue

Public sector accounting standard PS3510 Tax Revenue discusses the different types of taxes and clarifies standards on the timing, recognition, measurement and reporting of tax revenue in government financial statements. This section applies for fiscal years beginning on or after April 1, 2012. This standard is in agreement with the policies for tax revenue used by the Municipality. The adoption of this standard did not result in an adjustment to the consolidated financial statements.

(l) Recent accounting standard pronouncements:

The following summarizes upcoming changes to public sector standards issued by PSAB. In 2013, the Municipality will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in the Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

(i) Liability for Contaminated Sites

PS3260 Liability for Contaminated Sites comes into effect for fiscal years beginning on or after April 1, 2014. PS3260 establishes standards on remediation, recognition and measurement and provides requirements for financial statement presentation and disclosure. The Municipality has begun the process of reviewing policies, procedures and systems to ensure consistent and accurate identification and estimation of liabilities associated with contaminated sites.

(ii) Financial Statement Presentation

PS1201 Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising for the re-measurement of financial instruments and items denominated in foreign currencies as well as the governments proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2016.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(l) Recent Accounting Standard Pronouncements (continued):

(iii) Foreign Currency Translation

PSAB issued PS2601 Foreign Currency Translation, replacing the current PS2600 applicable for fiscal years beginning on or after April 1, 2016. This standard requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

(iv) Financial Instruments

PS3450 Financial Instruments applicable for fiscal years beginning on or after April 1, 2016 establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments, all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

(v) Portfolio Investments

Section PS3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS3450. Upon adoption of PS3450 and PS3041 Temporary Investments PS3030 will no longer apply.

2. Restricted cash:

Restricted cash is comprised of proceeds from the Province of Alberta related to the Hawthorne Heights project of \$19,200,000 (2012 - \$18,206,236) which are restricted as per an amended Hawthorne Heights Conditional grant funding agreement and are to be used for a future development project. In addition, the balance includes various tenant deposits and reserves required under funding agreements related to the delivery of affordable housing programs amounting to \$9,300,698 (2012 - \$6,762,507).

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

Year ended December 31, 2013

3. Taxes and grants in lieu receivable:

	2013	2012
Current	\$ 5,678,018	\$ 4,656,579
Arrears**	1,160,150	1,234,598
	<u>6,838,168</u>	<u>5,891,177</u>
Less allowance for doubtful accounts	61,104	95,695
	<u>\$ 6,777,064</u>	<u>\$ 5,795,482</u>

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

4. Trade and other receivables:

	2013	2012
Government transfers	\$ 1,833,954	\$ 5,856,109
GST recoverable	7,157,087	6,195,419
Utility receivables	4,659,342	4,672,012
Developer charges	1,731,608	1,728,974
Trade receivables - net	37,562,405	42,599,991
	<u>\$ 52,944,396</u>	<u>\$ 61,052,505</u>

5. Inventories held for resale:

	2013	2012
		(Restated - Note 24)
Inventories held for resale	\$ 297,211	\$ 400,253
Property inventory held under equity and affordability programs	438,300	702,094
	<u>\$ 735,511</u>	<u>\$ 1,102,347</u>

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

6. Investments:

	2013		2012	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Cash	\$ 3,217,259	\$ 3,217,259	\$ 3,007,689	\$ 3,007,689
Bankers acceptances and notes	46,325,863	46,681,477	43,528,005	43,565,582
Government and government guaranteed bonds	287,300,731	286,378,409	353,654,480	359,606,850
Corporate bonds and debentures	192,481,834	190,659,970	316,356,078	319,860,751
Mutual funds	5,538,894	5,561,295	7,549,264	7,549,264
Accrued interest	1,868,527	1,868,527	2,377,814	2,377,814
	\$ 536,733,108	\$ 534,366,937	\$ 726,473,330	\$ 735,967,950

Bankers acceptances and notes have maturities of less than one year and stated interest rates from 1.60% to 5.30% (2012 - 2.60% to 5.50%).

Government and government guaranteed bonds bear interest at stated average interest rates from 1.03% to 5.60% (2012 - 1.03% to 6.50%).

Corporate bonds and debentures bear interest at stated average interest rates from 1.03% to 10.22% (2012 - 1.03% to 11.80%).

The market value of certain investments fluctuates with changing market interest rates. The carrying value of certain investments has 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 2013 and 2012.

7. Mortgages and notes receivable:

The mortgages and notes receivable include:

- (a) 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 with a receivable balance of \$3,824,231 (2012 - \$4,022,220),
- (b) Home equity loans which are 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 with a receivable balance of \$2,996,879 (2012 - \$3,017,037).
- (c) Demand promissory notes receivable and second mortgages receivable bearing interest at 0% to 6% per annum, with monthly repayment terms representing a 25 year amortization period, secured by land and buildings with a receivable balance of \$345,586 (2012 - \$355,211).
- (d) Employee home purchase assistance loan are non-interest bearing with principal repayments of 1% per year with a receivable balance of \$59,348 (2012 - \$nil).
- (e) A vendor take-back mortgage with interest at 4% per annum with a receivable balance of \$1,150,000 (2012 - \$1,150,000).
- (f) A net investment in a long-term lease arrangement with a receivable balance of \$2,051,146 (2012 - \$2,082,888).

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

8. 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.

	2013	2012
<u>Government transfers</u>		(Restated - Note 24)
Operating:		
Community Housing Plan Grant	\$ 2,450,240	\$ 2,104,579
Rent Supplement Program Grant	1,083,939	1,055,724
Marshall House Grant	86,467	94,488
Sustainable Remote Housing Grant	96,840	101,880
Other Grants	664,682	506,200
RCMP Grant	364,600	349,653
	<u>4,746,768</u>	<u>4,212,524</u>
Capital:		
Community Development Plan	35,265,761	80,169,823
Alberta Municipal Infrastructure Program	162,971	1,093,089
Alberta Municipal Sustainability Initiative Grant	27,361,060	32,227,828
Alberta Infrastructure Transportation Grant	1,823,917	1,094,018
New Deal for Cities and Communities Grant	6,278,550	6,410,556
Alberta Affordable Housing Initiative	46,205,528	46,197,275
Alberta Transportation Grant	131,098	-
Strategic Transportation Infrastructure Grant	-	4,821,764
	<u>117,228,885</u>	<u>172,014,353</u>
	121,975,653	176,226,877
<u>Other</u>		
Corporate Donations and Naming Rights	476,191	571,428
Rights Holder Agreements (a)	1,523,200	1,608,000
RCMP Agreements	133,833	-
Deferred Property Taxes	12,943,120	13,661,002
Deferred Offsite Levies and Developer Charges (b)	43,108,628	46,474,101
Lifetime golf and fitness memberships	1,193,322	1,175,539
Other	11,554,135	2,092,847
	<u>70,932,429</u>	<u>65,582,917</u>
	<u>\$ 192,908,082</u>	<u>\$ 241,809,794</u>

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

8. Deferred Revenue (continued):

(a) Rights Holder Agreements

From 2006 to 2009 contributions totalling \$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 right 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 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. Should the Municipality commit an act of default under the agreements, the contributions become repayable. 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.

(b) 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 2013, the Municipality received \$6,582,706 (2012 - \$10,425,834) in levies and charges, allocated interest on the unspent levies and charges of \$1,059,427 (2012 - \$nil) and recognized \$11,007,606 (2012 - \$12,256,804) as income. Deferred revenue of \$43,108,628 (2012 - \$46,474,101) has been recorded.

9. Employee benefit obligations:

	2013	2012
Accrued vacation pay and overtime bank	\$ 8,124,199	\$ 6,824,045
Accrued salary and benefits	11,231,132	9,737,968
	<u>\$ 19,355,331</u>	<u>\$ 16,562,013</u>

(a) Vacation and overtime

The vacation and overtime liability is 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 with the next budgetary year.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Employee benefit obligations (continued):

(b) Local Authorities Pension Plan

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act.

The Municipality is required to make current service contributions to LAPP of 10.43% (2012 - 9.91%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 14.47% (2012 - 13.74%) for the excess. Employees of the Municipality are required to make current service contributions of 9.43% (2012 - 8.91%) of pensionable salary up to the year's maximum pensionable salary and 13.47% (2012 - 12.74%) 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 LAPP are \$14,486,526 (2012 - \$12,169,407). Total current service contributions by the employees of the Municipality to LAPP in 2013 are \$13,384,094 (2012 - \$11,131,530).

The LAPP reported a deficiency for the overall plan as at December 31, 2012 of \$ 4,977,303,000 (2011 - \$4,639,390,000). Information as at December 31, 2013 is not available at the time of preparing these financial statements.

(c) APEX supplementary pension plan

The APEX Supplementary Pension Plan, an Alberta Urban Municipalities Association 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 (approximately 91 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 2.5% and 3% respectively on pensionable earnings up to \$138,500 (2012 - \$132,333) per employee per year.

Total current service contributions by the Municipality to APEX in 2013 were \$549,319 (2012 - \$413,366). Total current service contributions by the employees of the Municipality were \$450,826 (2012 - \$340,803).

The cost of post-retirement benefits earned by employees is actuarially determined 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

Basic Life, accidental death and dismemberment, short term disability, long term disability, extended health, dental and vision benefits are fully funded by the Municipality. 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.

(e) Employee housing initiative - designated housing units

On February 14, 2006, a designated housing unit program was established by the Municipality. Under this program, a specified number of rental units (18) are provided for exclusive use by employees of the Municipality to assist with transitional housing needs.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Employee benefit obligations (continued):

(e) Employee housing initiative - designated housing units (continued)

The program is for new employees requiring transitional housing, or in unique cases, for an existing employee where affordable housing cannot be secured by the employee within the Municipality. The designated rental units are allocated as per the qualifying incomes of the employees as determined by the Municipality. Units are allocated based on merit and employees enter into short term lease agreements for the rental of the designated rental units at an agreed upon monthly rental cost. The employee is responsible for the monthly rental cost and any required damage deposit.

Shared rental accommodation is also available for up to six months through several houses currently rented by the Municipality.

(f) 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. Existing employees of the Municipality were eligible to join the program until June 30, 2007. After June 30, 2007, only new employees of the Municipality are eligible to join. The program is discontinued and has not accepted new participants since 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.

At December 31, 2013, no amounts have been accrued (2012 - \$nil) within the consolidated financial statements relating to this program as management is of the opinion that, based on current market conditions, no obligations exist with respect to the outstanding arrangements.

At December 31, 2013, 397 employees are approved and participate in the program with an aggregate secured property value of \$239,346,766 based on assessed values. Of the participating employees, 260 (2012 - 171) currently meet the eligibility requirements with a secured property value of \$152,770,759 based on assessed values.

(g) 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 Municipality's actuaries as at December 31, 2013.

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.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Employee benefit obligations (continued):

- (g) MuniSERP - supplemental retirement program (continued)

The following presents the MuniSERP net (asset) underfunded liability as at December 31, 2013

	2013	2012
Accrued benefit obligation		
Balance, beginning of year	\$ 1,199,338	\$ -
Current service cost and interest cost	433,691	1,199,338
Balance, end of year	1,633,029	1,199,338
Assets held to fund liability	1,666,611	789,152
Net (asset) underfunded liability	\$ (33,582)	\$ 410,186

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

	2013	2012
Inflation	2.50%	2.50%
Wages and salaries escalations	4.00%	4.00%
Interest (discount rate on accrued benefit obligations)	5.00%	5.00%
Average Municipal service (years)	2.50	2.00

10. Landfill closure and post-closure obligation:

The obligation recorded at December 31, 2013 for the landfill closure was \$12,478,720 (2012 - \$13,518,275) and represents the present value of closure and post-closure costs of the Municipality Landfill sites, using annual rates of 1.30% (2012 - 1.30%) for inflation and discount rates of 3.94% (2012 - 3.06%) for post closure and 2.87% (2012 - 2.37%) for pre closure.

The closing of existing facilities involve contouring the site to promote positive drainage to minimize leachate production, site slope reduction to prevent excessive erosion and cap damage and covering the site with low permeability clay to prevent water infiltration followed by application of topsoil and vegetation. Estimates are based on the current closure plan developed for and approved by Alberta Environment. 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.

As of the end of 2013 there are 6 sites currently closed. Mariana Lake site was closed in 2003, Janvier and Conklin sites were closed in 2011, Fort Chipewyan old site was closed in 2012 and two sites in Fort McMurray were closed in 2013. Increases in obligation costs have been accounted for to adjust for the two phase landfill closure cost that have been approved by Alberta Environment to support the landfill gas management system construction capital project. The Fort MacKay site is currently being re-closed following the identification of post closure damage to the site. Additional accruals were provided for in 2011 and 2012 to remediate the damages.

The Fort Chipewyan and the Fort McMurray Regional landfill are currently the only two open landfill sites within the Regional Municipality of Wood Buffalo. The Fort McMurray Regional landfill began operations in early 2011 and the new Fort Chipewyan landfill began operations in June 2012.

	2013		
	Total Cells	Cells Used	% Used
Capacity utilization			
Fort McMurray - regional landfill	8	3.4	43%
Fort Chipewyan - new site	2	0.3	15%

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

11. Long-term debt:

	2013	2012
Municipal debt:		
Capital leases supported by general tax levies	\$ -	\$ 25,357
Debentures supported by general tax levies (a)	195,890,234	204,695,808
Debentures supported by utility rates (a)	136,339,962	142,629,319
	<u>332,230,196</u>	<u>347,350,484</u>
Controlled organizations debt:		
Capital leases	-	3,803
Long-term debt (b)	88,075,620	91,567,995
	<u>88,075,620</u>	<u>91,571,798</u>
	<u>\$ 420,305,816</u>	<u>\$ 438,922,282</u>

Municipal debt

(a) Debentures supported by general tax levies and utility rates

The payments on principal and interest for debentures supported by general tax levies and utility rates for the next five years and thereafter are as follows:

	Principal	Interest	Total
2014	\$ 15,225,088	\$ 15,583,270	\$ 30,808,358
2015	15,764,292	14,827,919	30,592,211
2016	15,702,338	14,054,973	29,757,311
2017	16,115,009	13,267,030	29,382,039
2018	16,280,307	12,466,969	28,747,276
Thereafter	253,143,162	91,271,151	344,414,313
	<u>\$ 332,230,196</u>	<u>\$ 161,471,312</u>	<u>\$ 493,701,508</u>

Interest on long-term debt in 2013 amounted to \$16,313,770 (2012 - \$16,934,816).

The debenture debt above is repayable to Alberta Capital Finance Authority, has interest rates ranging from 2.4% to 11.0% per annum, and matures in years 2014 through 2035.

Debenture debt is issued on the credit and security of the Municipality.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

11. Long-term debt (continued):

Controlled organizations debt

(b) Long-term debt

Long-term debt is comprised of commercial mortgages with weighted average interest rate of 3.82%, payments of \$496,251 per month including principal and interest, maturities from 2015 to 2023, with land and buildings pledged as collateral with a carrying value of \$187,600,816 (2012 - \$182,319,495).

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

	Principal	Interest	Total
2014	\$ 2,660,268	\$ 3,294,737	\$ 5,955,005
2015	2,757,060	3,197,945	5,955,005
2016	2,856,414	3,098,591	5,955,005
2017	2,959,465	2,995,540	5,955,005
2018	3,066,355	2,888,650	5,955,005
Thereafter	73,776,058	33,531,782	107,307,840
	\$ 88,075,620	\$ 49,007,245	\$ 137,082,865

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.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

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

	2013	2012
		(Restated - Note 24)
Maximum allowable debt	\$ 1,374,840,818	\$ 1,286,108,450
Total municipal debt	332,230,196	347,350,484
Amount of total debt limit available	\$ 1,042,610,622	\$ 938,757,966
Percentage used	24.16%	27.01%

Debt service limit

	2013	2012
		(Restated - Note 24)
Maximum allowable debt service	\$ 240,597,143	\$ 225,068,979
Annual payments on existing municipal debt	30,808,358	31,437,919
Amount of service on debt limit available	\$ 209,788,785	\$ 193,631,060
Percentage used	12.80%	13.97%

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, MacDonald Island Park 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

Year ended December 31, 2013

13. Tangible capital assets:

	2013								2013
	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress		Totals
COST:									
<i>Balance, Beginning of Year</i>	\$ 339,517,786	\$ 101,336,804	\$ 533,130,487	\$ 1,654,750,244	\$ 64,713,986	\$ 62,246,931	\$ 608,833,081		\$ 3,364,529,319
Acquisition of tangible capital assets	14,471,631	29,162,265	4,202,252	170,338,974	8,134,981	6,171,840	323,142,926		555,624,869
Disposal of tangible capital assets	(384,871)	(5,944)	-	(15,671,988)	(1,503,134)	(1,467,987)	(618,280)		(19,652,204)
<i>Balance, End of Year</i>	\$ 353,604,546	\$ 130,493,125	\$ 537,332,739	\$ 1,809,417,230	\$ 71,345,833	\$ 66,950,784	\$ 931,357,727		\$ 3,900,501,984
ACCUMULATED AMORTIZATION:									
<i>Balance, Beginning of Year</i>	\$ -	\$ 17,070,316	\$ 57,399,596	\$ 390,883,947	\$ 27,502,228	\$ 29,877,441	\$ -		\$ 522,733,528
Annual amortization	-	6,744,729	13,673,067	33,696,857	6,815,262	5,319,912	-		66,249,827
Accumulated amortization on disposals	-	(5,052)	-	(3,921,344)	(1,192,648)	(1,434,305)	-		(6,553,349)
<i>Balance, End of Year</i>	\$ -	\$ 23,809,993	\$ 71,072,663	\$ 420,659,460	\$ 33,124,842	\$ 33,763,048	\$ -		\$ 582,430,006
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, End of Year									
	\$ 353,604,546	\$ 106,683,132	\$ 466,260,076	\$ 1,388,757,770	\$ 38,220,991	\$ 33,187,736	\$ 931,357,727		\$ 3,318,071,978

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Tangible capital assets (continued):

	2012 (Restated - Note 24)							
	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2012 Totals
COST:								
<i>Balance, Beginning of Year</i>	\$ 303,239,296	\$ 50,282,336	\$ 491,866,634	\$ 1,361,025,618	\$ 52,205,772	\$ 59,515,815	\$ 692,183,790	\$ 3,010,319,261
Acquisition of tangible capital assets	49,789,440	42,671,486	53,892,686	293,724,626	8,502,264	4,908,384	(75,954,709)	377,534,177
Reclassification / Adjustment	-	8,382,982	(12,542,908)	-	4,159,926	-	-	-
Write down	-	-	-	-	-	-	(7,396,000)	(7,396,000)
Disposal of tangible capital assets	(13,510,950)	-	(85,925)	-	(153,976)	(2,177,268)	-	(15,928,119)
<i>Balance, End of Year</i>	\$ 339,517,786	\$ 101,336,804	\$ 533,130,487	\$ 1,654,750,244	\$ 64,713,986	\$ 62,246,931	\$ 608,833,081	\$ 3,364,529,319
ACCUMULATED AMORTIZATION:								
<i>Balance, Beginning of Year</i>	\$ -	\$ 13,279,212	\$ 44,615,549	\$ 358,521,490	\$ 21,070,423	\$ 24,377,039	\$ -	\$ 461,863,713
Annual amortization	-	3,791,104	12,840,757	32,362,457	6,562,685	7,424,079	-	62,981,082
Accumulated amortization on disposals	-	-	(56,710)	-	(130,880)	(1,923,677)	-	(2,111,267)
<i>Balance, End of Year</i>	\$ -	\$ 17,070,316	\$ 57,399,596	\$ 390,883,947	\$ 27,502,228	\$ 29,877,441	\$ -	\$ 522,733,528
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, End of Year	\$ 339,517,786	\$ 84,266,488	\$ 475,730,891	\$ 1,263,866,297	\$ 37,211,758	\$ 32,369,490	\$ 608,833,081	\$ 2,841,795,791

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$931,357,727 (2012 - \$608,833,081) 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 \$73,721,884 (2012 - \$40,345,352).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value.

(d) Reclassification / Adjustment

During 2012 the Municipality reclassified the land improvements and equipment related to the MacDonald Island Park facility to better represent the classification of the components of the facility.

(e) Write down

During 2012 the Municipality wrote down \$7,396,000 related to assets previously capitalized as it was determined that the assets were impaired. No write-downs occurred in 2013.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

14. Accumulated surplus:

	2013	2012
		(Restated - Note 24)
Operations:		
Surplus - undesignated	\$ 124,538	\$ 124,538
Operating reserves:		
General administration	112,566,264	101,330,789
Common services	142,575	142,575
Recreation	374,838	365,934
Urban parks	289,776	294,775
Regional Municipality of Wood Buffalo Library	2,416,056	3,055,330
Wood Buffalo Housing & Development Corporation	35,214,919	51,711,109
MacDonald Island Park Corporation	(21,723)	(681,150)
	<u>150,982,705</u>	<u>156,219,362</u>
Total operations	<u>151,107,243</u>	<u>156,343,900</u>
Capital:		
Deficiency - undesignated	(237,573,927)	(149,259,717)
Capital reserves:		
General	440,226,676	493,153,051
Equipment	706,327	706,327
Common services	708,599	708,599
Roads and streets	32,219	32,059
Water supply	2,052,107	2,052,107
Sewage	2,317,650	2,317,650
Recreation	6,907,212	6,907,212
Wood Buffalo Housing & Development Corporation	6,012,887	4,010,045
MacDonald Island Park Corporation	1,610,213	1,485,213
	<u>460,573,890</u>	<u>511,372,263</u>
Invested in tangible capital assets	<u>2,897,766,162</u>	<u>2,402,873,509</u>
Total capital	<u>3,120,766,125</u>	<u>2,764,986,055</u>
Accumulated surplus	\$ 3,271,873,368	\$ 2,921,329,955

Reserves are a key tool used to set aside funds to replace existing 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, MacDonald Island Park Corporation and the Regional Recreation Corporation of Wood Buffalo 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

Year ended December 31, 2013

15. Net Taxes Available for Municipal Purposes

	Budget	2013	2012
			(Restated - Note 24)
Taxation:			
Real property taxes	\$ 594,971,916	\$ 606,257,801	\$ 538,229,439
Government grants in lieu of property taxes	1,452,943	1,416,634	1,546,921
Special assessments and local improvement taxes	369,700	358,559	409,854
Well drilling	520,000	1,096,892	769,327
	<u>597,314,559</u>	<u>609,129,886</u>	<u>540,955,541</u>
Requisitions:			
Alberta School Foundation Fund	40,925,848	54,692,135	39,454,459
School boards	1,049,762	3,702,454	2,259,811
	<u>41,975,610</u>	<u>58,394,589</u>	<u>41,714,270</u>
Net taxes available for municipal purposes	<u>\$ 555,338,949</u>	<u>\$ 550,735,297</u>	<u>\$ 499,241,271</u>

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.

16. Government Transfers

	Budget	2013	2012
Federal transfers:			
Conditional shared cost agreements and grants			
- Operating	\$ 487,764	\$ 497,445	\$ 792,749
- Capital	-	(107,494)	-
Total federal government transfers	<u>487,764</u>	<u>389,951</u>	<u>792,749</u>
Provincial transfers:			
Conditional shared cost agreements and grants			
- Operating	16,363,942	13,622,511	23,661,624
- Capital	30,700,000	100,574,567	82,757,455
Total provincial government transfers	<u>47,063,942</u>	<u>114,197,078</u>	<u>106,419,079</u>
Total government transfers	<u>\$ 47,551,706</u>	<u>\$ 114,587,029</u>	<u>\$ 107,211,828</u>

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

16. Government Transfers (continued):

(a) Community Development Plan

In 2009, the Municipality entered into an agreement with the Province of Alberta to service the development of Crown Lands known as Parsons Creek and Saline Creek Plateau. To facilitate this servicing, for residential and other purposes, a grant totalling \$243,380,000 will be provided by the Province with final payment due June 2014. During 2013, the Municipality received a grant allocation of \$14,580,000 (2012 - \$35,380,000) allocated interest on the unspent grant in the amount of \$795,770 (2012 - \$1,141,834) recognized \$60,279,832 (2012 - \$56,992,342) as capital government transfers. Deferred revenue of \$35,265,761 (2012 - \$80,169,823) has been recorded.

(b) Alberta Municipal Infrastructure Program

The Province of Alberta introduced the Alberta Municipal Infrastructure Program in 2005 to assist municipalities in addressing capital infrastructure needs. This program terminated in 2009. During 2013, the Municipality allocated interest on the unspent grant in the amount of \$4,564 (2012 - \$64,687), and recognized \$934,682 (2012 - \$7,629,305) as capital government transfers. Deferred revenue of \$162,971 (2012 - \$1,093,089) has been recorded.

(c) Alberta 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. Based on a pre-established formula and budget availability, the Municipality will receive an annual grant allocation until 2016. In 2013, the Municipality received \$21,376,657 (2012 - \$19,779,011), allocated interest on the unspent grant in the amount of \$298,432 (2012 - \$194,679) and recognized \$26,541,857 (2012 - \$5,465,526) as capital government transfers. Deferred revenue of \$27,361,060 (2012 - \$32,227,828) has been recorded.

(d) Alberta Infrastructure Transportation Grant

The Alberta Infrastructure Transportation Grant provides annual cost-shared financial assistance to cities for developing and implementing safe and effective roadway network and transportation systems. In 2013, the Municipality received \$4,604,388 (2012 - \$4,138,148), allocated interest on the unspent grant in the amount of \$17,011 (2012 - \$74,480) and recognized \$3,891,500 (2012 - \$9,909,103) as capital government transfers. Deferred revenue of \$1,823,917 (2012 - \$1,094,018) has been recorded.

(e) New Deal for Cities and Communities Grant

The New Deal for Cities and Communities program 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 has been extended to 2014 and the Municipality will receive an additional \$5,012,918 under the terms of this program. In 2013, the Municipality received \$5,021,918 (2012 - \$5,012,918), allocated interest on the unspent grant in the amount of \$68,613 (2012 - \$69,787) and recognized \$5,213,537 (2012 - \$4,502,741) as capital government transfers. Deferred revenue of \$6,278,550 (2012 - \$6,410,556) has been recorded.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

16. Government Transfers (continued):

(f) Alberta Transportation Grant

The Municipality entered into an agreement with the Province of Alberta in 2013 to receive \$200,000 towards the cost of the preliminary engineering of a bypass near Sunset Sales and Recycling. During 2013, the Municipality received a grant of \$180,000, allocated interest on the unspent grant in the amount of \$471 and recognized \$49,373 as capital government transfers. Deferred revenue of \$131,098 has been recorded.

(g) Strategic Transportation Infrastructure Grant

The Municipality entered into an agreement with the Province of Alberta to undertake the maintenance and construction of the Fort MacKay Bridge Replacement project. The Municipality received \$nil in 2013 (2012 - \$2,000,000). During 2013, the Municipality allocated interest on the unspent grant in the amount of \$22,470 (2012 - \$47,156) and recognized \$4,844,234 (2012 - \$1,985,455) as capital government transfers. Deferred revenue of \$nil (2012 - \$4,821,764) has been recorded.

(h) Community Housing Plan Grant

The Community Housing Plan grant assists homeless individuals to obtain housing and provide support services through funding provided to a number of not-for-profit organizations. The grant is a flow-through arrangement where money is received from both the Province of Alberta and the Government of Canada and the Municipality administers the funds on their behalf. 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. Deferred revenue of \$2,450,240 (2012 - \$2,104,579) has been recorded on amounts received from the Province of Alberta. Trade and other receivables - government transfers of \$10,709 (2012 - \$169,001) has been recorded on amounts due from the the Government of Canada.

(i) RCMP Grants

The Province of Alberta provides two RCMP grants through the Alberta Solicitor General and Minister of Public Security - the New Police Officers Grant (NPOG) and the Municipal Policing Assistance Grant (MPAG). NPOG 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 2013, the Municipality received \$1,458,400 (2012 - \$1,168,596) and recognized \$1,443,453 (2012 - \$1,075,455) as operating government transfers. Deferred revenue of \$364,600 (2012 - \$349,653) has been recorded.

(j) Rent Supplement Program Grant

The rent supplement program grant provides housing assistance for individuals and families residing or needing to reside in the Regional Municipality of Wood Buffalo. This grant is a flow-through arrangement where money is received from the Province of Alberta and the Municipality administers the funds on their behalf. The Municipality makes claims for qualified individuals or families, receives the funds and pays them out to qualified individuals on a monthly basis. During 2013, the Municipality received \$4,656,452 (2012 - \$5,645,359), recognized \$4,628,239 (2012 - \$5,062,314) in operating government transfers. Deferred revenue of \$1,083,939 (2012 - \$1,055,724) has been recorded.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

16. Government Transfers (continued):

(k) Alberta Housing & Urban Affairs

The Municipality entered into an agreement with the Province of Alberta to undertake maintenance and capital improvements to revitalize existing lodge units under the Lodge Renewal Funding Initiative. During 2013, the Municipality received a grant of \$12,358 (2012 - \$nil) and recognized \$19,509 (2012 - \$nil) as operating government transfers. Accounts receivable of \$7,151 (2012 - \$nil) has been recorded.

(l) Alberta Affordable Housing Initiative

The Province of Alberta provides grants to support the development and supply of affordable housing in Stone Creek, Hawthorne Heights and Parsons Creek. During 2013, the Municipality received \$7,875,000 (2012 - \$nil), allocated interest on the unspent grants in the amount of \$8,253 (2012 - \$8,186) and recognized \$nil (2012 - \$nil) as operating government transfers. Deferred revenue of \$46,205,528 (2012 - \$46,197,275) and accounts receivable of \$18,375,000 (2012 - \$26,250,000) has been recorded.

17. Expenses by Object

	Budget	2013	2012
			(Restated - Note 24)
Salaries, wages and benefits	\$ 221,326,298	\$ 209,699,771	\$ 189,265,356
Contracted and general services	149,858,867	143,460,867	137,729,586
Purchases from other governments	24,236,800	22,877,551	22,922,173
Materials, goods, supplies and utilities	43,230,406	48,210,565	48,271,980
Provision for allowances	502,800	3,788,417	(518,095)
Transfers to other governments	-	-	44,001
Transfers to local boards and agencies	7,794,000	7,794,875	3,665,000
Transfers to individuals and organizations	15,456,134	17,889,114	9,902,957
Bank charges and short-term interest	476,653	988,710	570,677
Interest on long-term debt	20,307,951	19,982,898	21,295,143
Other	148,565	8,851,458	153,914
Amortization of tangible capital assets	-	66,249,827	62,981,082
Loss on disposal of tangible capital assets	-	11,634,312	-
Total expenses	\$ 483,338,474	\$ 561,428,365	\$ 496,283,774

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

18. Contractual obligations and contingent liabilities:

(a) Operating leases

The Municipality has entered into lease agreements for the leasing of office space and equipment until 2022. The annual lease payments in each of the following years are:

2014	\$4,346,394
2015	5,204,186
2016	3,894,539
2017	3,401,006
2018	2,547,515
Thereafter	8,951,026
	<u>\$ 28,344,666</u>

(b) Borrowing facilities (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 \$250,000 and \$9,000,000 which bear interest at prime and prime plus 3% respectively. At December 31, 2013, no amounts were drawn against these facilities. In addition, one of the Municipality's controlled entities has access to a \$60,000 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 \$55,000,000 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 \$ 8,727,627 (2012 - \$2,480,117) and letters of credit in the amount of \$32,901,395 to ensure performance by the developers under the agreements.

(d) Contingent liabilities

The Municipality is a defendant in various lawsuits as at December 31, 2013. 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.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

19. 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 2013	Total 2012
Mayor Blake	\$ 127,779	\$ 19,104	\$ 146,883	\$ 142,157
Ward 1				
Councillor Germain	37,632	12,248	49,880	48,452
Councillor Meagher	37,632	12,110	49,742	50,319
Councillor Boutilier	4,591	1,579	6,170	-
Councillor McGrath	4,591	1,937	6,528	-
Councillor Bussieres	4,591	1,579	6,170	-
Councillor Ault	4,591	1,937	6,528	-
Ward 2				
Councillor Chadi	4,591	1,579	6,170	-
Councillor Cardinal	4,591	1,579	6,170	-
Ward 3				
Councillor Vinni	37,632	13,607	51,239	49,461
Ward 4				
Councillor Stroud	37,882	11,992	49,874	48,471
Former				
Councillor Kirschner	33,140	16,227	49,367	49,999
Councillor Thomas	33,140	16,247	49,387	50,023
Councillor Burton	33,140	11,764	44,904	21,215
Councillor Tatum	33,140	15,030	48,170	21,225
Councillor Blair	33,140	11,970	45,110	50,023
Councillor Flett	33,140	14,404	47,544	44,193
Councillor Allen	-	-	-	20,440
Councillor Scott	-	-	-	17,436
Chief Administrative Officers	433,015	100,780	533,795	464,728
Designated Officer				
Current	253,199	48,392	301,591	192,697
Former	-	-	-	245,873
	\$ 1,191,157	\$ 314,065	\$ 1,505,222	\$ 1,516,712

(a) Salary 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, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

(c) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, travel, car and technology allowances.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

20. 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 Implementation 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** includes Wood Buffalo Housing & Development Corporation, MacDonald Island Park Corporation, Regional Recreation Corporation of Wood Buffalo and the Regional Municipality of Wood Buffalo Library.

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

Year ended December 31, 2013

20. Segment disclosures (continued):

	2013									
	Fiscal Services	General Government	Protective Service	Transportation	Environmental use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2013 Total
Revenue:										
Net taxes available for municipal purposes	\$ 548,949,133	\$ -	\$ -	\$ 157,349	\$ 203,810	\$ -	\$ -	\$ -	\$ 1,425,005	\$ 550,735,297
Government transfers	-	101,147,266	8,647,318	328,005	-	1,534,436	-	37,000	2,893,004	114,587,029
Sales and user charges	-	8,488,371	3,339,521	4,588,120	54,272,167	59,807	182,530	1,026,389	13,931,514	85,888,419
Sales to other governments	-	-	218,196	-	2,742,207	-	-	-	-	2,960,403
Penalties and costs on taxes	1,443,530	1,044,979	-	-	157,335	-	-	-	(241)	2,645,603
Licenses and permits	-	864,712	31,365	8,030	-	-	9,837,577	460	-	10,742,144
Fines	-	131,365	5,112,269	-	-	-	-	-	61,047	5,304,681
Franchise and concession contracts	5,225,944	-	-	-	-	-	-	-	-	5,225,944
Returns on investments	-	16,128,890	-	161	-	492	11,482	8,904	2,269,680	18,419,609
Rentals	-	18,449	1,703,000	13,163	-	-	(12,076)	31,355	23,996,102	25,749,993
Developers' agreements and levies	-	11,007,606	-	-	-	-	-	-	-	11,007,606
Other	(25)	585,427	20,765	-	150,830	227,560	6,274	106,108	3,886,227	4,983,166
	555,618,582	139,417,065	19,072,434	5,094,828	57,526,349	1,822,295	10,025,787	1,210,216	48,462,338	838,249,894
Expenses:										
Salaries, wages and benefits	-	54,018,781	43,806,027	24,931,707	29,734,322	4,732,900	10,513,834	14,222,863	27,739,337	209,699,771
Contracted and general services	1,652,458	42,098,129	6,804,939	49,791,686	14,482,694	865,851	11,644,394	4,921,367	11,199,349	143,460,867
Purchases from other governments	-	30,771	22,352,191	492,869	-	-	1,720	-	-	22,877,551
Materials, goods, supplies and utilities	9,168	3,414,878	2,985,424	9,981,720	13,319,510	162,235	540,466	2,114,118	15,683,046	48,210,565
Provision (recovery) for allowances	51,699	3,324,775	324,570	-	8,319	-	-	-	79,054	3,788,417
Transfers to local boards and agencies	-	-	-	-	-	-	-	7,794,875	-	7,794,875
Transfers to individuals and organizations	-	8,801,734	20,000	-	-	6,472,250	250,000	14,247,298	(11,902,168)	17,889,114
Bank charges and short-term interest	-	697,512	3,114	-	14,357	-	87,401	745	185,581	988,710
Interest on long-term debt	-	514,134	791,065	591,583	7,330,999	8,676	1,032,458	6,045,763	3,668,220	19,982,898
Other	8,782,114	63,019	4,945	-	1,301	79	-	-	-	8,851,458
Amortization of tangible capital assets	-	1,081,237	2,451,810	16,698,926	27,791,737	5,501	227,457	10,637,210	7,355,949	66,249,827
Loss on disposal of tangible capital assets	-	11,626,448	-	-	-	-	-	-	7,864	11,634,312
	10,495,439	125,671,418	79,544,085	102,488,491	92,683,239	12,247,492	24,297,730	59,984,239	54,016,232	561,428,365
Annual surplus before other	545,123,143	13,745,647	(60,471,651)	(97,393,663)	(35,156,890)	(10,425,197)	(14,271,943)	(58,774,023)	(5,553,894)	276,821,529
Other:										
Contributions of tangible capital assets	-	43,290,750	-	29,010,358	-	-	1,420,776	-	-	73,721,884
Annual surplus	\$ 545,123,143	\$ 57,036,397	\$ (60,471,651)	\$ (68,383,305)	\$ (35,156,890)	\$ (10,425,197)	\$ (12,851,167)	\$ (58,774,023)	\$ (5,553,894)	\$ 350,543,413

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

20. Segment disclosures (continued):

	2012									
	(Restated - Note 24)									
	Fiscal Services	General Government	Protective Service	Transportation	Environmental use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2012 Total
Revenue:										
Net taxes available for municipal purposes	\$ 495,885,640	\$ -	\$ -	\$ 168,499	\$ 241,356	\$ -	\$ -	\$ -	\$ 2,945,776	\$ 499,241,271
Government transfers	-	96,520,763	8,455,998	353,323	3,140	1,531,894	32,206	49,498	265,006	107,211,828
Sales and user charges	2,490	549,960	2,562,606	4,154,914	48,886,796	26,743	187,125	311,442	27,686,225	84,368,301
Sales to other governments	-	-	234,928	-	5,106,402	-	-	-	-	5,341,330
Penalties and costs on taxes	1,589,638	456,408	-	-	164,639	-	-	-	(625)	2,210,060
Licenses and permits	-	761,434	45,972	7,525	-	-	10,893,405	285	(576,260)	11,132,361
Fines	-	164,440	5,303,724	-	-	-	-	-	64,154	5,532,318
Franchise and concession contracts	4,576,685	-	-	-	-	-	-	-	-	4,576,685
Returns on investments	-	19,749,648	-	-	-	446	951	10,322	2,359,417	22,120,784
Rentals	-	26,380	-	10,680	-	-	337,945	16,448	24,071,307	24,462,760
Developers' agreements and levies	-	12,256,804	-	3,953	-	-	-	-	-	12,260,757
Other	-	477,943	94,929	1,551	150,400	360,932	10,000	255,682	3,044,906	4,396,343
Gain (loss) on disposal of tangible capital assets	-	763,285	-	-	-	-	-	-	(28,033)	735,252
	502,054,453	131,727,065	16,698,157	4,700,445	54,552,733	1,920,015	11,461,632	643,677	59,831,873	783,590,050
Expenses:										
Salaries, wages and benefits	-	48,489,359	41,247,814	22,433,956	26,160,996	4,055,196	8,178,233	14,960,146	23,739,656	189,265,356
Contracted and general services	3,776	42,877,756	6,108,086	43,303,532	20,927,547	300,761	10,339,402	5,276,998	8,591,728	137,729,586
Purchases from other governments	-	32,796	22,239,550	649,062	-	-	765	-	-	22,922,173
Materials, goods, supplies and utilities	-	3,405,375	2,873,289	8,664,360	13,773,269	186,252	144,423	2,683,166	16,541,846	48,271,980
Provision (recovery) for allowances	83,783	(878,949)	245,682	-	17,091	-	-	-	14,298	(518,095)
Transfers to other governments	-	-	44,001	-	-	-	-	-	-	44,001
Transfers to local boards and agencies	-	-	-	-	-	-	-	3,665,000	-	3,665,000
Transfers to individuals and organizations	-	14,746,846	20,000	12,000	-	2,655,254	250,000	13,731,399	(21,512,542)	9,902,957
Bank charges and short-term interest	-	328,955	1,398	105	9,944	50	75,362	854	154,009	570,677
Interest on long-term debt	-	541,052	843,131	663,482	7,641,892	11,237	1,059,152	6,176,326	4,358,871	21,295,143
Other	153,618	4,166	1,718,227	25,575	(42,080)	(1,711,568)	(3,049)	9,025	-	153,914
Amortization of tangible capital assets	-	1,814,223	2,595,037	14,382,344	19,365,113	5,476	228,745	8,493,211	16,096,933	62,981,082
	241,177	111,361,579	77,936,215	90,134,416	87,853,772	5,502,658	20,273,033	54,996,125	47,984,799	496,283,774
Annual surplus before other	501,813,276	20,365,486	(61,238,058)	(85,433,971)	(33,301,039)	(3,582,643)	(8,811,401)	(54,352,448)	11,847,074	287,306,276
Other:										
Contributions of tangible capital assets	-	1,897,875	-	16,965,106	21,482,371	-	-	-	-	40,345,352
Annual surplus	\$ 501,813,276	\$ 22,263,361	\$ (61,238,058)	\$ (68,468,865)	\$ (11,818,668)	\$ (3,582,643)	\$ (8,811,401)	\$ (54,352,448)	\$ 11,847,074	\$ 327,651,628

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

21. Sales and User Charges by Segment

	Budget	2013	2012
			(Restated - Note 24)
Council and other legislative	\$ 20,000	\$ 28,599	\$ 37,495
General administration	352,964	5,177,845	324,399
Other general government	138,000	365,356	190,556
Police	1,020,800	1,131,010	1,122,386
Fire	107,700	108,055	133,540
Disaster and emergency measures	-	96,365	-
Ambulance and first aid	1,203,800	1,968,597	1,304,314
Bylaw enforcement	-	35,493	2,366
Common and equipment pool	102,000	1,043,300	69,724
Roads, streets, walks, lighting	845,897	1,910,987	2,275,106
Public transport	1,827,003	1,307,332	1,810,083
Storm sewers and drainage	-	326,501	-
Water supply and distribution	23,143,937	22,491,625	21,380,783
Wastewater treatment and disposal	16,882,641	19,147,838	16,237,155
Waste management	10,293,833	12,632,704	11,268,858
Family and community support (recovery)	-	26,021	(2,850)
Cemeteries and crematoriums	25,100	33,786	29,593
Land use planning, zoning and development	257,000	179,474	165,980
Subdivision land and development	-	2,714	-
Public housing operations	5,866,536	3,854,427	16,158,338
Land, housing and building rentals	-	-	21,146
Recreation boards	30,000	-	6,086
Parks and recreation	14,283,431	14,020,390	11,833,243
Total sales and user charges	\$ 76,400,642	\$ 85,888,419	\$ 84,368,301

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

22. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2013 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 budgeted figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 677,888,888
Capital budget	629,132,702
Subsidiaries' budget	47,817,852
Less:	
Transfers from other funds	287,325,151
Proceeds from issuance of long-term debt	318,605,358
Total revenue	748,908,933
Expenses:	
Operating budget	677,888,888
Capital budget	629,132,702
Subsidiaries' budget	40,946,892
Less:	
Transfers to other funds	220,375,178
Capital expenditures	629,132,702
Long-term debt principal payments	15,122,128
Total expenses	483,338,474
Annual surplus	\$ 265,570,459

23. 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 and mortgages and notes receivable. 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.

Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

24. Restatements of prior year:

During the year the Municipality reviewed the treatment of developer agreements and levies and determined that amounts unutilized at year end, as a result of unsatisfied restrictions established in respective bylaws, should be classified as deferred revenue rather than capital reserves established after flowing amounts collected through revenue in the year collected. This correction has been applied retroactively and as such 2012 amounts previously reported have been restated.

During the year, the agreements related to Wood Buffalo Housing & Development Corporation's Affordable Home Ownership Program were reviewed and it was determined that the revenue recognition criteria was met at the time of title transfer and execution of the agreements.

The effects of these two restatements are presented below:

	2012 Opening Balances		
	As Reported	Increase (decrease)	Restated
Consolidated Statement of Financial Position			
Net financial assets			
Beginning of year	\$ 93,589,505	\$ (51,291,396)	\$ 42,298,109
Accumulated surplus			
Operating	145,373,013	(2,982,372)	142,390,641
Capital	2,499,596,710	(48,309,024)	2,451,287,686
Total	\$ 2,644,969,723	\$ (51,291,396)	\$ 2,593,678,327

	2012 Closing Balances		
	As Reported	Increase (decrease)	Restated
Consolidated Statement of Financial Position			
Assets			
Mortgages and notes receivable	\$ 10,193,778	\$ 433,578	\$ 10,627,356
Inventories held for resale	58,134,118	(57,031,771)	1,102,347
Liabilities			
Deferred revenue	248,600,959	(6,791,165)	241,809,794
Net financial assets			
End of year	120,952,849	(49,807,028)	71,145,821
Accumulated surplus (1)			
Operating	159,676,827	(3,332,927)	156,343,900
Capital	2,811,460,156	(46,474,101)	2,764,986,055
Total accumulated surplus	2,971,136,983	(49,807,028)	2,921,329,955

(1) Accumulated surplus change comprised of:

Operating reserve:			
Wood Buffalo Housing & Development Corporation	55,044,036	(3,332,927)	51,711,109
Capital reserve:			
General	539,627,152	(46,474,101)	493,153,051

	2012		
	As Reported	Increase (decrease)	Restated
Consolidated Statement of Operations and Accumulated Surplus			
Sales and user charges*	\$ 86,710,572	(2,342,271)	\$ 84,368,301
Investment income*	21,183,689	937,095	22,120,784
Developers' agreements and levies**	10,425,834	1,834,923	12,260,757
Materials, goods, supplies and utilities*	49,326,601	(1,054,621)	48,271,980
Impact on annual surplus		\$ 1,484,368	

* change also in public housing operations or planning and development segments.

** change also in general administration or general government segments.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

24. Restatements of prior year (continued):

Tangible Capital Assets

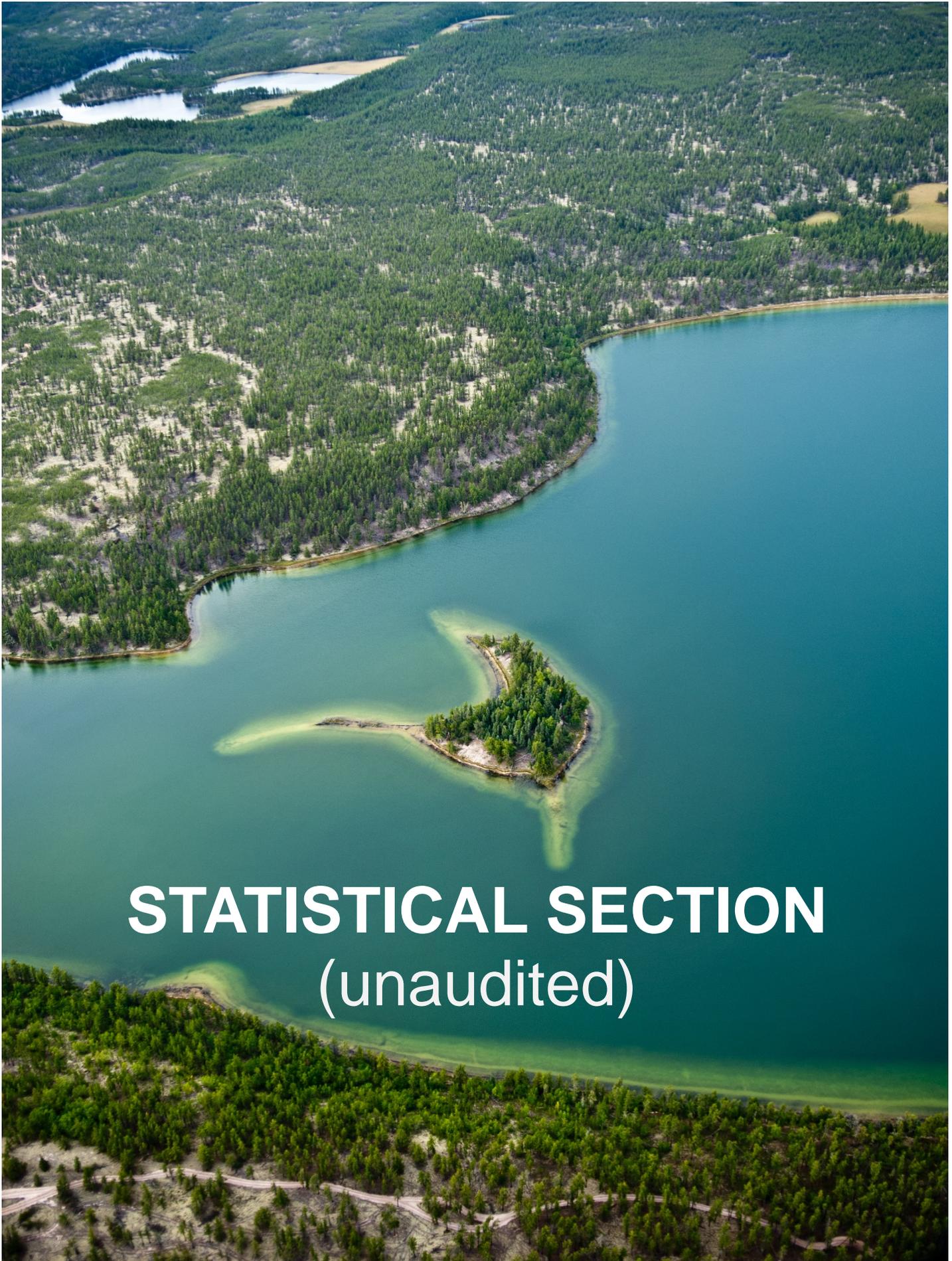
Certain tangible capital assets were reclassified between categories in note 13 to the consolidated financial statements to correct classification in the prior year. As a result, there was no impact on the 2012 ending balance of tangible capital assets reported at cost or net book value.

Impact of reclassification on 2012 cost categories:

	As Reported	Reclassification	Restated
Engineered structures	\$ 1,920,080,139	(265,329,895)	\$ 1,654,750,244
Vehicles	78,763,297	(16,516,366)	62,246,931
Construction in progress	326,986,820	281,846,261	608,833,081
Total	\$ 2,325,830,256	-	\$ 2,325,830,256

25. Approval of financial statements:

These financial statements were approved by Management and presented to Mayor and Council on April 22, 2014.



STATISTICAL SECTION (unaudited)

REGIONAL MUNICIPALITY OF WOOD BUFFALO
General Statistical information

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Population (1)	116,407	116,407	101,238	91,612	89,950
Number of Dwelling Units (2)	30,375	28,833	28,203	27,151	25,708
Municipal Area (In Hectares) (3)	6,636,100	6,636,100	6,845,424	6,845,424	6,845,424
Building Permits Value (4)	\$ 1,127,007,256	\$ 1,523,214,168	\$ 1,241,704,136	\$ 1,655,986,681	\$ 641,973,850
Building Permits Issued (4)	2,210	2,418	2,347	2,717	1,943
Residential Tax Rate (5)	2.3911	2.6633	2.4774	2.3322	2.3015
Consumer Price Index Change (Percentage) (6)					
Alberta	1.4	1.1	2.4	1.0	(0.1)
Canada	0.9	1.5	2.9	1.8	0.3
Unemployment Rate (Percentage) (6)					
Alberta	4.6	4.6	5.5	6.5	6.6
Canada	7.1	7.2	7.4	8.0	8.3

NOTES:

- (1) Population data obtained from Alberta Municipal Affairs Annual Population Lists (per annual Federal Census results)
No census conducted in 2013 so 2012 population census is currently used by RMWB for 2013 population total.
- (2) Number of dwelling units data obtained from Alberta Municipal Affairs website (per annual statistical information returns)
2013 number of dwelling units data obtained from RMWB taxation and assessment department
- (3) Municipal Hectares data obtained from Alberta Municipal Affairs website (per annual statistical information returns)
- (4) Building Permits data obtained from Superior Safety Codes Council
- (5) Residential tax rate data obtained from Alberta Municipal Affairs website (per annual statistical information returns)
- (6) Consumer Price Index and Unemployment Rate data obtained from Statistics Canada

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Statement of Financial Position

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Financial Assets					
Cash and cash equivalents	\$ 109,871,998	\$ 83,910,430	\$ 23,631,478	\$ 64,635,605	\$ 38,713,079
Restricted cash	28,500,698	24,968,743	23,147,571	4,465,115	2,217,711
Taxes and grants in lieu receivable	6,777,064	5,795,482	5,324,030	5,965,468	3,983,194
Trade and other receivables	52,944,396	61,052,505	110,348,635	85,943,451	115,191,430
Inventories held for resale	735,511	1,102,347	66,689,619	71,176,504	70,210,645
Investments	536,733,108	726,473,330	755,857,927	835,078,699	528,589,624
Mortgages and notes receivable	10,427,190	10,627,356	7,805,221	-	-
Interest in subsidiary operation (discontinued)	-	-	-	-	52,676,161
Total Financial Assets	745,989,965	913,930,193	992,804,481	1,067,264,842	811,581,844
Liabilities					
Accounts payable and accrued liabilities	149,152,419	123,265,596	133,114,943	130,342,919	124,037,674
Deposit liabilities	11,265,718	8,706,412	8,749,445	7,845,436	9,068,618
Deferred revenue	192,908,082	241,809,794	326,233,317	286,766,139	254,516,979
Employee benefit obligations	19,355,331	16,562,013	13,885,832	15,384,343	12,362,777
Provision for landfill closure and post-closure obligation	12,478,720	13,518,275	12,190,490	8,657,101	10,973,986
Long-term debt	420,305,816	438,922,282	456,332,345	478,268,140	309,169,200
Total Financial Liabilities	805,466,086	842,784,372	950,506,372	927,264,078	720,129,234
Net Financial (Debt) Assets	(59,476,121)	71,145,821	42,298,109	140,000,764	91,452,610
Non-Financial Assets					
Tangible capital assets	3,318,071,978	2,841,795,791	2,548,455,548	2,092,735,353	1,795,679,377
Consumable inventories	2,468,109	3,241,271	513,108	860,049	1,085,459
Prepaid expenses	10,809,402	5,147,072	2,411,562	5,357,057	1,339,700
Total Non-Financial Assets	3,331,349,489	2,850,184,134	2,551,380,218	2,098,952,459	1,798,104,536
Accumulated Surplus	\$ 3,271,873,368	\$ 2,921,329,955	\$ 2,593,678,327	\$ 2,238,953,223	\$ 1,889,557,146

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Revenue by Object, Expense by Function and Annual Surplus

For the Years ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Revenue by Object:					
Net taxes available for municipal purposes	\$ 550,735,297	\$ 499,241,271	\$ 480,027,699	\$ 432,085,357	\$ 381,436,472
Government transfers	114,587,029	107,211,828	119,068,740	116,274,449	154,046,713
Sales and user charges	85,888,419	84,368,301	81,417,932	96,809,819	55,153,452
Sales to other governments	2,960,403	5,341,330	2,077,293	1,690,032	1,407,582
Penalties and costs on taxes	2,645,603	2,210,060	1,576,980	1,543,375	1,192,275
Licenses and permits	10,742,144	11,132,361	10,583,341	11,380,602	5,341,065
Fines	5,304,681	5,532,318	3,435,635	3,001,260	3,359,813
Franchise and concession contracts	5,225,944	4,576,685	4,598,555	4,582,643	4,253,287
Returns on investments	18,419,609	22,120,784	23,118,587	13,835,898	13,935,653
Rentals	25,749,993	24,462,760	21,332,118	12,612,073	10,795,179
Transfers from local boards and agencies	-	-	-	62,000	62,000
Developers' agreements and levies	11,007,606	12,260,757	18,549	5,971,414	4,207,813
Other	4,983,166	4,396,343	7,474,880	9,454,177	3,321,634
Gain on disposal of assets	-	735,252	16,026,552	5,715,212	-
Total Revenue by Object	838,249,894	783,590,050	770,756,861	715,018,311	638,512,938
Expense by Function:					
Council and other legislative	1,658,700	1,916,781	1,468,407	1,299,712	1,185,453
General administration	113,482,912	101,258,749	77,978,117	65,431,304	47,426,226
Other general government	3,756,576	3,909,702	3,848,328	3,873,919	2,403,396
Police	35,137,123	37,842,090	31,840,651	27,246,249	24,389,077
Fire	28,479,539	26,540,852	24,700,258	22,430,483	26,170,045
Disaster and emergency measures	399,646	1,204,450	722,111	691,780	580,313
Ambulance and first aid	9,237,720	8,548,337	6,774,157	7,900,637	-
Bylaws enforcement	7,034,898	5,031,365	5,162,463	4,396,980	3,138,682
Common and equipment pool	30,377,380	26,131,187	22,855,623	15,682,872	13,396,441
Roads, streets, walks, lighting	44,994,959	42,868,481	38,785,113	34,119,155	23,648,279
Public transport	25,982,977	24,038,594	20,790,171	16,968,024	13,578,780
Storm sewers and drainage	1,134,703	3,601,100	1,950,490	1,695,586	217,258
Water supply and distribution	38,548,309	32,609,306	29,076,965	25,565,138	15,090,719
Wastewater treatment and disposal	33,472,306	28,907,210	27,275,505	22,621,189	13,980,149
Waste management	20,660,283	23,027,289	21,057,691	12,484,796	10,174,569
Family and community support	11,248,025	5,369,083	6,335,293	6,748,952	3,629,113

(continued)

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Revenue by Object, Expense by Function and Annual Surplus (continued)

For the Years ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Day care	25,000	15,060	15,000	15,000	15,000
Cemeteries and crematoriums	229,506	118,515	112,067	1,429,447	90,050
Land use planning, zoning and development	12,173,231	11,630,567	12,709,267	11,181,775	8,134,557
Subdivision land and development	9,149,381	5,238,834	1,898,374	2,922,834	2,165,598
Public housing operations	35,018,634	35,665,090	40,367,077	45,102,050	31,069,185
Land, housing and building rentals	2,971,485	3,403,454	2,893,814	-	-
Recreation boards	1,623,039	1,800,987	1,984,947	1,453,902	658,786
Parks and recreation	65,985,329	55,244,031	60,679,362	49,883,314	35,283,258
Culture: libraries, museums, halls	11,370,170	5,482,571	2,415,588	6,159,702	3,537,876
Other	5,642,222	4,880,089	3,126,436	199,466	36,601
Loss on disposal of tangible capital assets	11,634,312	-	-	-	170,244
Subsidiary operation (discontinued)	-	-	-	52,676,161	(4,003,425)
Amortization of tangible capital assets	-	-	-	-	29,297,313
Total Expense by Function	561,428,365	496,283,774	446,823,275	440,180,427	305,463,543
Annual Surplus Before Other	276,821,529	287,306,276	323,933,586	274,837,884	333,049,395
Other:					
Contributions of tangible capital assets	73,721,884	40,345,352	82,082,914	74,558,193	82,147,070
Annual Surplus	350,543,413	327,651,628	406,016,500	349,396,077	415,196,465
Accumulated Surplus, Beginning of Year	2,921,329,955	2,593,678,327	2,238,953,223	1,889,557,146	1,480,044,808
Restatements	-	-	(51,291,396)	-	(5,684,127)
Accumulated Surplus, End of Year	\$ 3,271,873,368	\$ 2,921,329,955	\$ 2,593,678,327	\$ 2,238,953,223	\$ 1,889,557,146

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Expenses by Object

For the Years Ended December 31, 2019-2013

	2013	2012	2011	2010	2009
Salaries, wages and benefits	\$ 209,699,771	\$ 189,265,356	\$ 182,680,519	\$ 159,218,905	\$ 125,764,389
Contracted and general services	143,460,867	137,729,586	114,664,980	99,269,484	80,890,197
Purchases from other governments	22,877,551	22,922,173	20,177,725	17,576,918	16,709,507
Materials, goods, supplies and utilities	48,210,565	48,271,980	49,608,968	47,463,954	34,373,846
Provision for allowances	3,788,417	(518,095)	766,078	525,141	(472,912)
Transfers to other governments	-	44,001	46,367	48,519	150
Transfers to local boards and agencies	7,794,875	3,665,000	565,000	3,811,288	6,005,623
Transfers to individuals and organizations	17,889,114	9,902,957	7,723,102	4,195,605	1,559,815
Bank charges and short-term interest	988,710	570,677	494,199	330,015	345,204
Interest on long-term debt	19,982,898	21,295,143	21,439,670	15,315,982	14,798,772
Other	8,851,458	153,914	266,111	252,444	24,840
Amortization of tangible capital assets	66,249,827	62,981,082	48,390,556	39,496,011	29,297,313
Loss on disposal of tangible capital assets	11,634,312	-	-	-	170,244
Subsidiary operation (discontinued)	-	-	-	52,676,161	(4,003,425)
Total Expense by Object	\$ 561,428,365	\$ 496,283,774	\$ 446,823,275	\$ 440,180,427	\$ 305,463,563

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Tax Collection

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Current Levy	\$ 609,129,886	\$ 540,955,541	\$ 517,505,922	\$ 465,777,512	\$ 411,671,756
Taxes Receivable					
Current	5,678,018	4,656,579	4,980,224	4,827,081	3,315,387
In arrears for one year or more	1,160,150	1,234,598	885,594	1,266,209	787,217
Total Taxes Receivable	\$ 6,838,168	\$ 5,891,177	\$ 5,865,818	\$ 6,093,290	\$ 4,102,604
Taxes Outstanding, Before Allowance (Percentage)					
Current	0.93%	0.86%	0.96%	1.04%	0.81%
In arrears for one year or more	0.19%	0.23%	0.17%	0.27%	0.19%

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Taxation, Assessment and Requisitions

For the Years Ended December 31, 2009-2013

Taxation and Assessment	2013	2012	2011	2010	2009
Taxation Assessment (1)					
Municipal Residential	\$ 14,199,696,242	\$ 12,945,034,990	\$ 11,543,044,268	\$ 12,438,727,690	\$ 9,429,589,696
Municipal Non Residential	5,666,699,289	5,036,888,387	4,393,134,137	3,752,363,019	3,128,210,950
Machinery and Equipment	19,950,826,978	18,640,166,231	16,897,027,043	15,268,206,715	11,437,334,448
Linear	2,222,010,330	2,226,790,430	2,282,045,720	2,063,742,500	1,714,890,460
Total Taxation and Assessment	\$ 42,039,232,839	\$ 38,848,880,038	\$ 35,115,251,168	\$ 33,523,039,924	\$ 25,710,025,554
Taxation and Requisitions	2013	2012	2011	2010	2009
Taxation:					
Real Property Taxes	\$ 606,257,801	\$ 538,229,439	\$ 514,932,735	\$ 463,731,384	\$ 410,187,346
Government in Lieu of Property Taxes	1,416,634	1,546,921	1,184,234	1,228,989	1,005,532
Special Assessments and Local Improvement Taxes	358,559	409,854	333,994	353,594	392,964
Well Drilling	1,096,892	769,327	1,054,959	463,545	85,914
Total Taxation	609,129,886	540,955,541	517,505,922	465,777,512	411,671,756
Requisitions:					
Alberta School Foundation Fund	54,692,135	39,454,459	36,540,935	32,778,133	29,486,332
School boards	3,702,454	2,259,811	937,288	914,022	748,952
Total Requisitions	58,394,589	41,714,270	37,478,223	33,692,155	30,235,284
Net Taxes Available for Municipal Purposes	\$ 550,735,297	\$ 499,241,271	\$ 480,027,699	\$ 432,085,357	\$ 381,436,472

NOTES:

(1) Taxation assessment data obtained from Alberta Municipal Affairs website (per annual Federal Census results)

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Total Long Term Debt and Long Term Debt Servicing Limits

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Municipal debt					
Capital leases supported by general tax levies	\$ -	\$ 25,357	\$ 33,363	\$ 225,697	\$ 745,262
Debentures supported by general tax levies	195,890,234	204,695,808	213,326,426	222,258,928	82,868,990
Debentures supported by utility rates	136,339,962	142,629,319	148,935,748	154,774,429	153,614,500
Total Municipal Debt	332,230,196	347,350,484	362,295,537	377,259,054	237,228,752
Controlled organizations debt					
Capital leases	-	3,803	141,697	198,850	24,556
Demand loans - operating	-	-	-	10,203,077	16,078,660
Demand loans - capital	-	-	17,236	7,911,495	6,937,592
Long-term debt	88,075,620	91,567,995	93,877,875	82,695,664	48,899,640
Total Controlled Organizations Debt	88,075,620	91,571,798	94,036,808	101,009,086	71,940,448
Total Long Term Debt	\$ 420,305,816	\$ 438,922,282	\$ 456,332,345	\$ 478,268,140	\$ 309,169,200
Total Long Term Debt Limits					
Maximum allowable debt	\$ 1,374,840,818	\$ 1,286,108,450	\$ 1,220,870,356	\$ 1,082,278,430	\$ 938,688,022
Total municipal debt	332,230,196	347,350,484	362,295,537	377,259,054	237,228,752
Amount of Total Long Term Debt Limit Available	\$ 1,042,610,622	\$ 938,757,966	\$ 858,574,819	\$ 705,019,376	\$ 701,459,270
Percentage of Long Term Debt Limit Used	24.16%	27.01%	29.68%	34.86%	25.27%
Total Long Term Debt Servicing Limits					
Maximum allowable debt service	\$ 240,597,143	\$ 225,068,979	\$ 213,652,312	\$ 189,142,896	\$ 164,270,404
Annual payments on existing municipal debt	30,808,358	31,437,919	32,010,267	32,790,631	20,529,368
Amount of Service on Long Term Debt Limit Available	\$ 209,788,785	\$ 193,631,060	\$ 181,642,045	\$ 156,352,265	\$ 143,741,036
Percentage of Service on Long Term Debt Used	12.80%	13.97%	14.98%	17.34%	12.50%
Long Term Debt per Capita					
Capital leases supported by general tax levies	\$ -	\$ -	\$ -	\$ 2	\$ 8
Debentures supported by general tax levies	1,683	1,758	2,107	2,426	921
Debentures supported by utility rates	1,171	1,225	1,471	1,689	1,708
Total Long Term Debt per Capita	\$ 2,854	\$ 2,984	\$ 3,578	\$ 4,118	\$ 2,637

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Acquisitions of Tangible Capital Assets

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Land	\$ 14,471,631	\$ 49,789,440	\$ 75,246,420	\$ 19,353,042	\$ 28,955,972
Land Improvements	29,162,265	42,671,486	16,365,001	6,695,341	2,636,991
Buildings and Improvements	4,202,252	53,892,686	43,331,892	213,800,869	97,320,218
Engineered Structures	170,338,974	293,724,626	44,640,742	303,720,177	111,590,194
Machinery and Equipment	8,134,981	8,502,264	11,647,682	10,197,041	7,965,314
Vehicles	6,171,840	4,908,384	11,612,320	8,439,507	13,996,036
Construction in Progress	323,142,926	(75,954,709)	308,012,459	(227,092,946)	75,314,358
Total Tangible Capital Asset Acquisitions	\$ 555,624,869	\$ 377,534,177	\$ 510,856,516	\$ 335,113,031	\$ 337,779,083

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Government Transfers

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Federal transfers:					
Conditional share cost agreements and grants					
- Operating	\$ 497,445	\$ 792,749	\$ 843,838	\$ 850,440	\$ 548,356
- Capital	(107,494)	-	399,368	888,529	878,223
Total Federal Government Transfers	389,951	792,749	1,243,206	1,738,969	1,426,579
Provincial transfers:					
Conditional shared cost agreements and grants					
- Operating	13,622,511	23,661,624	15,189,413	17,223,840	23,182,542
- Capital	100,574,567	82,757,455	102,636,121	97,311,640	128,804,664
Unconditional shared cost agreements and grants					
- Operating	-	-	-	-	632,928
Total Provincial Government Transfers	114,197,078	106,419,079	117,825,534	114,535,480	152,620,134
Total Government Transfers	\$ 114,587,029	\$ 107,211,828	\$ 119,068,740	\$ 116,274,449	\$ 154,046,713

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Reserves and Accumulated Surplus

For the Years Ended December 31, 2009-2013

	2013	2012	2011	2010	2009
Operations:					
Surplus - undesignated	\$ 124,538	\$ 124,538	\$ 124,538	\$ 124,538	\$ 124,538
Operating reserves:					
General administration	112,566,264	101,330,789	87,252,515	172,687,174	110,634,487
Common services	142,575	142,575	145,003	145,003	145,003
Roads and streets	-	-	57,231	57,231	57,231
Municipal planning	-	-	33,526	33,526	33,526
Land and housing	-	-	547	547	547
Recreation	374,838	365,934	368,554	357,880	353,939
Urban Parks	289,776	294,775	289,777	289,777	289,777
Regional Municipality of Wood Buffalo Library	2,416,056	3,055,330	3,340,718	2,510,397	1,970,831
Wood Buffalo Housing & Development Corporation	35,214,919	51,711,109	54,225,966	51,199,378	15,173,680
MacDonald Island Park Corporation	(21,723)	(681,150)	(465,362)	(460,153)	(368,243)
Total Operating Reserves	150,982,705	156,219,362	145,248,475	226,820,760	128,290,778
Total Operations	151,107,243	156,343,900	145,373,013	226,945,298	128,415,316
Capital:					
Deficiency - undesignated	(237,573,927)	(149,259,717)	(104,242,148)	(43,014,590)	(142,537,755)
Capital reserves:					
General	440,226,676	493,153,051	442,164,951	413,659,197	334,235,387
Equipment	706,327	706,327	706,327	704,168	490,471
Firefighting and preventive services	-	-	154,651	152,959	151,914
Common services	708,599	708,599	774,064	765,599	760,367
Roads and streets	32,219	32,059	162,918	161,307	160,354
Water supply	2,052,107	2,052,107	2,045,026	2,042,500	2,028,601
Sewage	2,317,650	2,317,650	2,324,731	2,324,731	2,309,030
Recreation	6,907,212	6,907,212	7,606,715	7,468,656	6,004,543
Wood Buffalo Housing & Development Corporation	6,012,887	4,010,045	3,217,660	2,598,309	1,801,461
MacDonald Island Park Corporation	1,610,213	1,485,213	1,267,216	474,799	472,459
Total Capital Reserves	460,573,890	511,372,263	460,424,259	430,352,225	348,414,587
Invested in tangible capital assets	2,897,766,162	2,402,873,509	2,092,123,203	1,624,670,290	1,502,588,837
Total Capital	3,120,766,125	2,764,986,055	2,448,305,314	2,012,007,925	1,708,465,669
Subsidiary operation held for disposition:					
Fort McMurray Regional Airport Commission	-	-	-	-	18,687,426
Invested in Airport tangible capital assets	-	-	-	-	33,988,735
Total Subsidiary Operation (discontinued)	-	-	-	-	52,676,161
Accumulated Surplus	\$ 3,271,873,368	\$ 2,921,329,955	\$ 2,593,678,327	\$ 2,238,953,223	\$ 1,889,557,146

For inquiries on the
2013 Financial Report,
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REGIONAL MUNICIPALITY
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