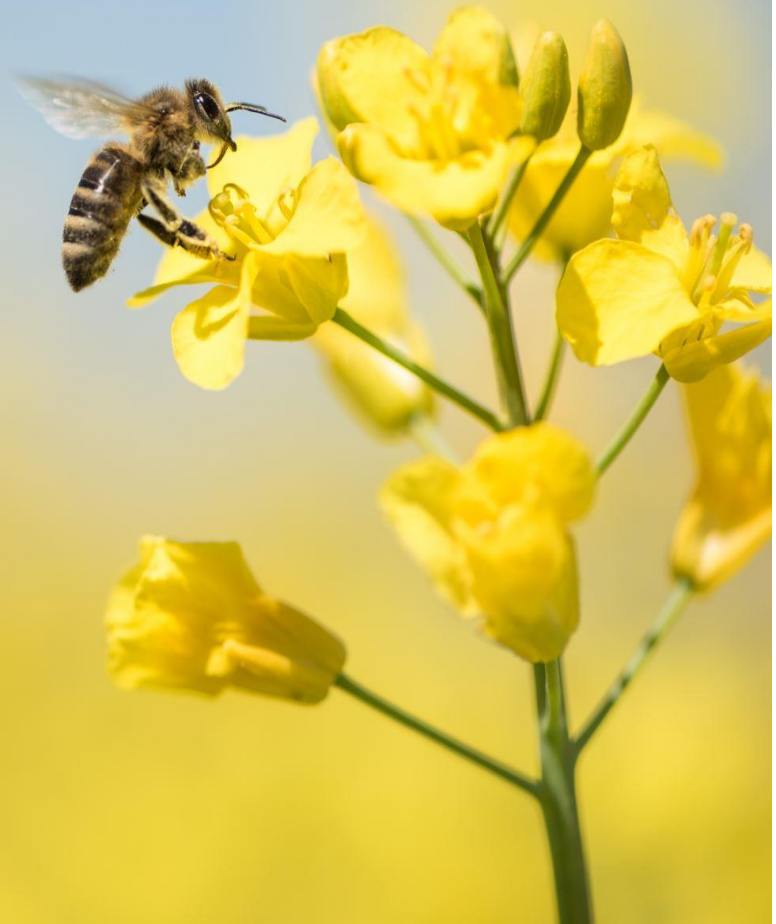

Financial Report

Ending July 31, 2022



FISCAL YEAR 2022

Presented by: Jennifer Place

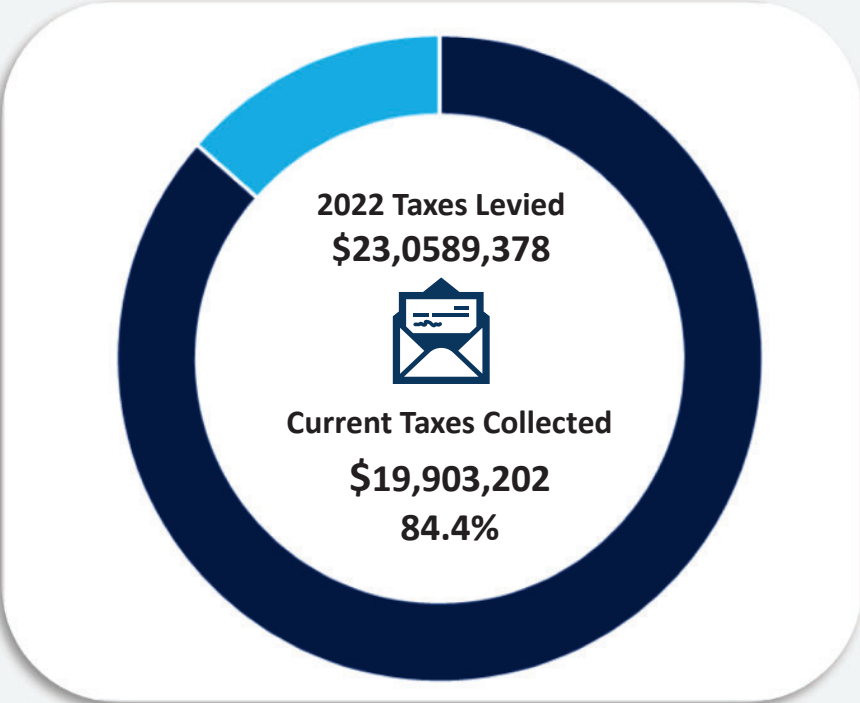
QUARTERLY FINANCIAL DASHBOARD to July 31, 2022

Total Revenue Received

\$ 8,334,709
previous quarter
\$3,719,937

Total Expenses

20,463,118
previous quarter
\$10,213,043



Accounts Payable

4,714,701
previous quarter
\$8,204,188

Investments

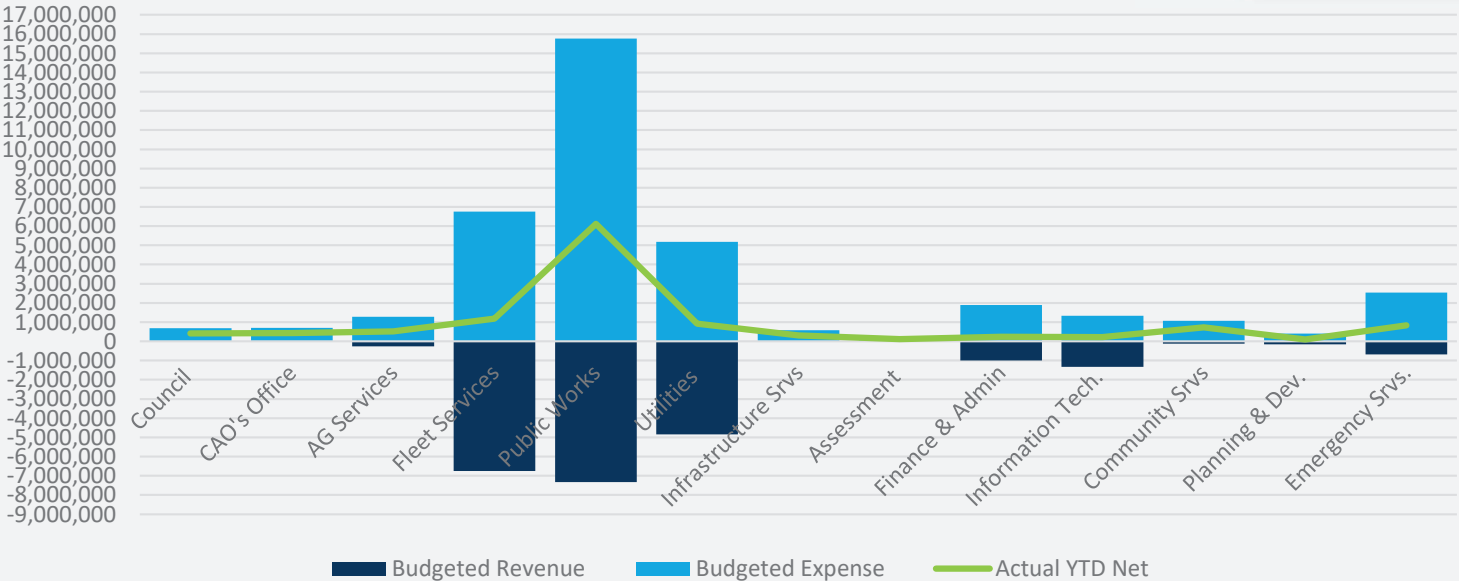
21,948,878
previous quarter
\$22,202,753
(includes M.R. GIC)

Cash at end of quarter

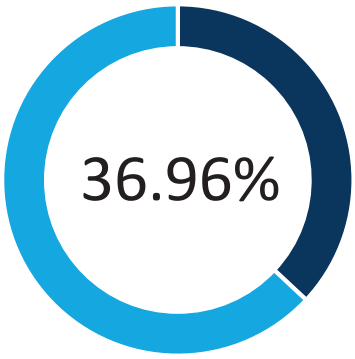
23,401,459
previous quarter
\$7,135,952
(HISA acct funds included)

Accounts Receivable

2,183,985
previous quarter
\$2,197,426

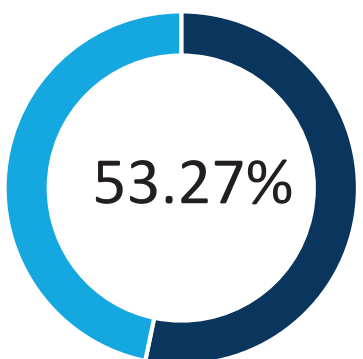


% of income Budget



Excluding Tax Support
Budget 22,357,980
YTD Balance 8,334,709

% of Expenses Budget



Budget 38,101,405
YTD Balance 10,213,076

July 31, 2022 Financial Summary

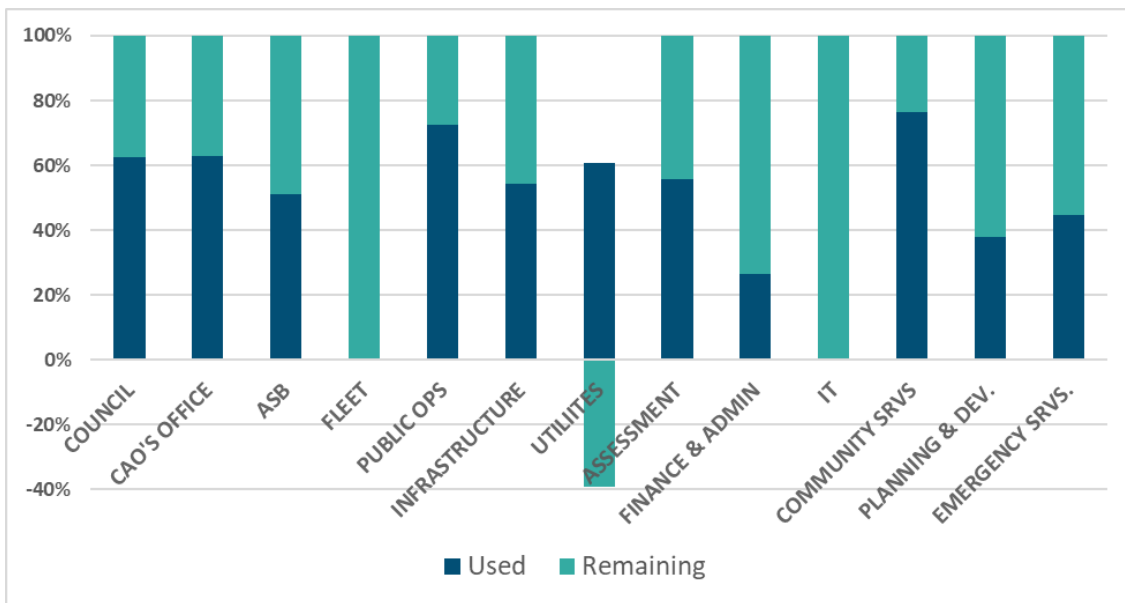
CONSOLIDATED FINANCIAL SUMMARY

The below financial report is for the period up to July 31, 2022 and includes some budget projection estimates based on operational activities to date and any factors that may impact the overall budget. As with past practice the projections remain somewhat conservative however, best estimates are used for both revenues and expenses.

The financial summary reflects a projected surplus of \$351,032, which is consistent with the last quarterly report. The departments with the most notable estimated surplus balances are Emergency Services, Utilities, Community Services (Economic Development) and Agricultural Services. While a deficit has been noted for Fleet Services at this time due to inflation increases that are effecting fuel, supplies, parts and shipping costs. The Emergency Services department surplus is due to fire response revenues and a portion of the unused budgeted funds from the Barons Fire Department dissolving. Community Services surplus is due to the transition that took place in the Economic Development department and the Planning Department surplus is estimated based on revenues earned to date from development and permit fees. Overall as we wrap up the second quarter of the year, the majority of the department budgets are expected to be within their budgets.

The County has had some investment interest loss but should see a correction as interest rates start to increase, and bond performance improves. A synopsis of the investment market and market volatility has been included towards the end of the report. An inflation rate summary from Statistics Canada has also been included for Council’s information. Further details have been included within the report under the department summaries.

The below chart which aligns with the attached financial summaries and provides a visual of the tax support funding used and remaining by department as of July 31, 2022.



Tax Support by Department

As of July 31, 2022

Department	Budget	Actual YTD	Projected	Surplus (Deficit)	%
Council	(665,050)	(416,399)	(665,050)	-	100.00%
CAO's Office	(683,450)	(429,780)	(688,450)	(5,000)	100.73%
Agricultural Services	(1,023,495) ▲	(521,669)	(960,088)	63,407	93.80%
Fleet Services	-	(1,178,124)	(100,000)	(100,000)	N/A
Public Works	(8,422,120)	(6,116,856)	(8,422,120)	-	100.00%
Infrastructure Department	(581,995)	(315,637)	(581,995)	-	100.00%
Utilities	(327,925)	(923,382)	(220,425)	107,500	67.22%
Assessment & Taxation	(199,865)	(111,544)	(199,865)	-	100.00%
Finance & Administration	(892,880)	(236,606)	(842,880)	50,000	94.40%
IT	- ▲	(223,459)	-	-	N/A
Community Services	(946,345)	(724,280)	(901,220)	45,125	95.23%
Planning & Development	(258,060)	(97,603)	(238,060)	20,000	92.25%
Emergency Services	(1,861,385)	(833,071)	(1,691,385)	170,000	90.87%
Tax Support	(15,862,570)	(12,128,410)	(15,511,538)	351,032	97.79%

Consolidated Financial Summary

Revenues	Budget	Actual YTD	Projected	Variance	%
Grants (Operating)	4,302,950	214,907	4,303,857	907	100.02%
Sales & User Charges	4,831,810	3,210,882	5,034,310	202,500	104.19%
Fines	85,000	55,542	85,000	-	100.00%
Penalties	225,000	360,029	350,000	125,000	155.56%
Rentals	180,890	90,445	180,890	-	100.00%
Return on Investments	325,000	-	250,000	(75,000)	76.92%
Other Revenue	8,506,050	3,761,683	8,506,175	125	100.00%
From Reserves	4,092,595	641,221	4,092,595	-	100.00%
Total Revenue	22,549,295	8,334,709	22,802,827	253,532	101.12%
Expenditures					
Operating / Projects	(44,834,290)	(14,356,729)	(44,736,790)	97,500	99.78%
To Reserves	(3,465,075)	(2,820,990)	(3,465,075)	-	100.00%
To Capital	9,887,500	(3,285,399)	9,887,500	-	0.00%
Total Expenditures	(38,411,865)	(20,463,118)	(38,314,365)	97,500	99.75%
Tax Support	(15,862,570)	(12,128,410)	(15,511,538)	351,032	97.79%

Statement of Operations and Capital*

As of July 31, 2022

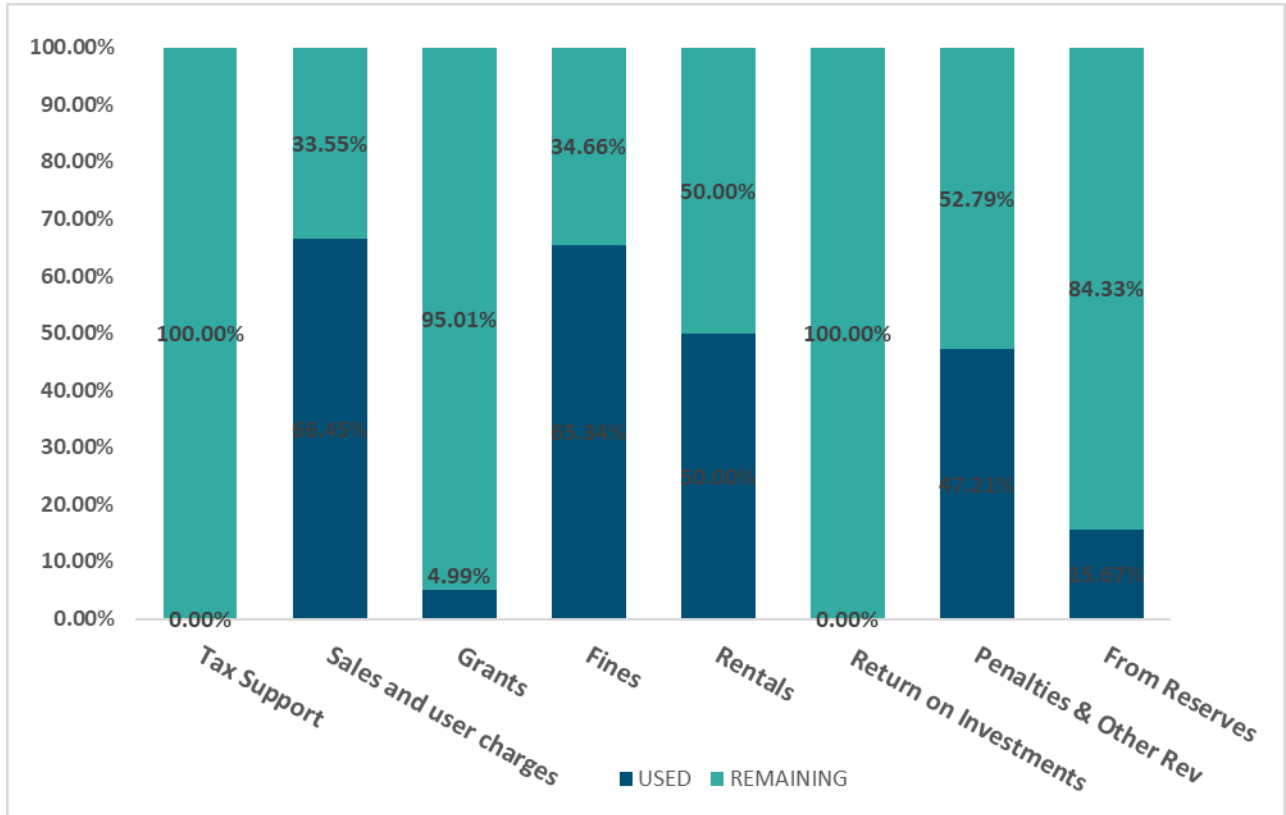
	2022 Budget	2022 Actual	Projected
Revenue:			
Tax Support (per budget)	\$ 15,862,570	\$ -	\$ 15,862,570
Sales and user charges	4,831,810	3,210,882	5,034,310
Grants	4,302,950	214,907	4,303,857
Fines	85,000	55,542	85,000
Penalties and costs on taxes	225,000	360,029	350,000
Rentals	180,890	90,445	180,890
Return on Investments	325,000	-	250,000
Other revenues	8,506,050	3,761,683	8,506,175
From Reserves	4,092,595	641,221	4,092,595
Total revenue	38,411,865	8,334,709	38,665,397
Expenses:			
Council and other legislative	680,050	431,399	680,050
General administration	5,551,480	3,011,666	5,511,463
Fire services	2,339,720	1,868,840	2,369,720
CPO Services	206,665	103,684	206,665
PW - Roads, streets, walks and lighting	15,758,320	6,733,919	15,758,320
Infrastructure	584,995	316,997	584,995
Fleet services	6,756,965	4,182,776	6,856,965
(UT) Water, wastewater and waste management	5,172,525	2,842,258	5,065,025
Family and community support	81,150	81,167	81,167
Agricultural development	1,177,935	848,774	1,097,935
Parks and recreation	102,060	41,638	102,060
Total expenses	38,411,865	20,463,118	38,314,365
Excess (deficiency) of revenue over expenses	-	(12,128,410)	351,032

The above statement of operations provides a snapshot of the revenues received to date and expenditures by department, including capital purchases.

**The statement of Operations reflected in the yearend financial statements is presented differently.*

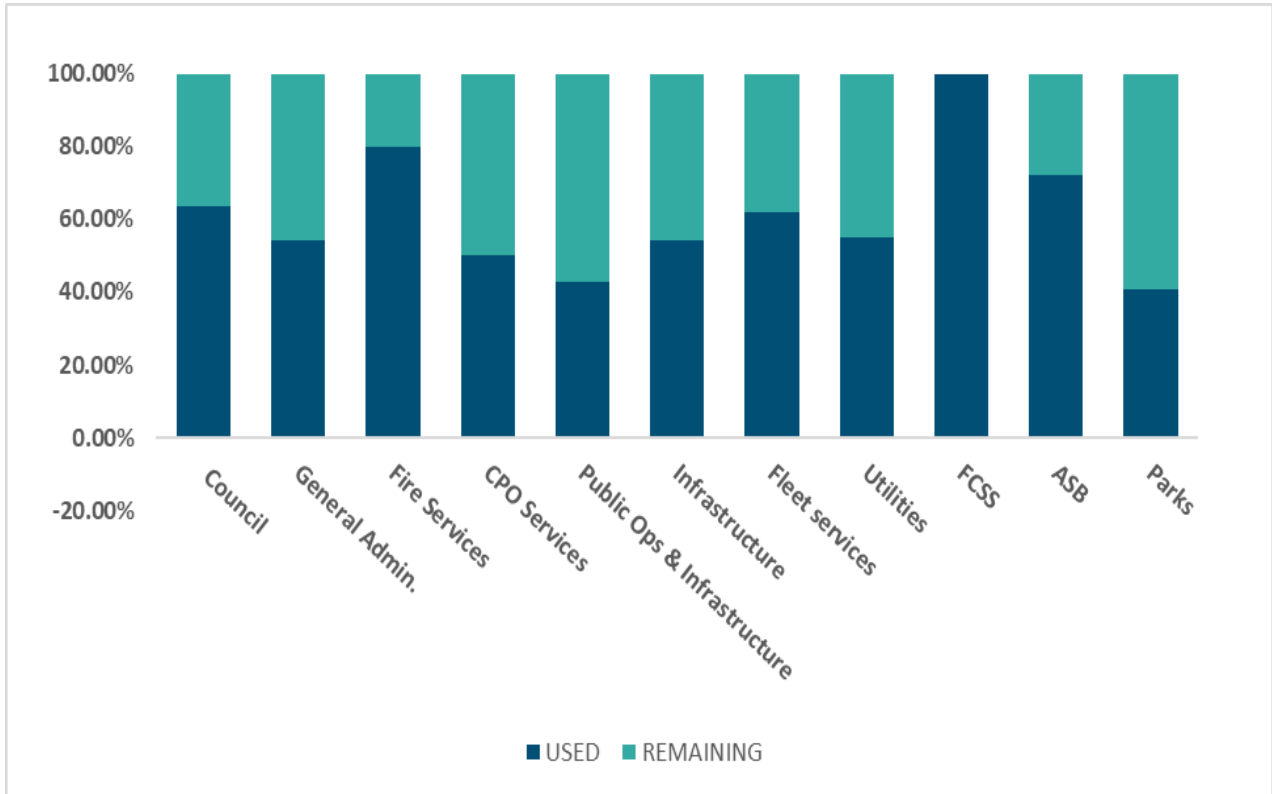
Revenues Earned to date

The below chart indicates the revenues recorded through to July 31st. To date the County has received just over \$8.3 million in fund, excluding tax payments (compared to \$3.7M in the last quarter), this represents approximately 21.7% of the total revenue budgeted.



Expenditures by Department

This chart represents a comparison of actual expenditures spent against the budget by department. Total expenses to date are just over \$20.4 Million (53.27%) (compared to \$10.6 Million (27.62%) as of April). Of the \$20.4 Million, \$3.534,605 is for capital related expenditures.



DEPARTMENT OPERATING ACTIVITY SUMMARY

The below information is a summary of department activities over the last quarter.

Council

- Council has had 9 regular County Council meetings, an Agricultural Service Board meeting and 2 Special meetings thus far in 2022. All of the Council meetings are live streamed and council agendas, minutes and recordings are available on the County website. Each of the councillors provide updates of their activities at one meeting each month for public information.
- Since the Strategic Planning Session held in January, Council has begun to implement and consider the updated Strategic Plan when making decisions. A copy of the updated Strategic Plan is also available on the website.
- As of July 31st, Council made the following contributions as per resolution:

<i>Alberta Conservation Association - \$1,000</i>	<i>Community Planning Association - \$1,700</i>
<i>Oldman Watershed Council 2022 Contribution - \$4,866</i>	<i>Picture Butte Rural Crime Watch - \$1,000</i>
<i>2 Bursary Awards - \$1,000 each</i>	
<i>Each of the Community Centre Associations within the County and the Prairie Tractor & Engine Museum received \$10,000 for a total of \$80,000 as per the annual budget to help support their operations and/or capital needs.</i>	

CAO's Office

Below is a summary of some of the activities the CAO has been involved with in the last quarter.

- Hosted the 2022 RMA Member Visit
- Working with Senior Leadership Team on development of a Corporate Strategic Plan
- Attended 2022 FCM Annual Conference & Trade Show
- Attended MLA hosted Water Forum
- Participated in Council and Senior Leadership Team, Team Building Event
- Preparation and review of agenda reports for County Council
- Attendance at various meetings with County stakeholders and residents
- Preparing for upcoming Level of Service, Facilities and Tax Incentive Workshops for Council

The Human Resources Department falls under the CAO Office's, below is a list of some of the items they have been working.

- HR has reorganized all County Directives by department
- Collective Bargaining course completed by HR Manager and CAO and early preparation for negotiations
- Personality Dimensions "Colors Exercise" and session with Council and SLT
- Preparation for County 2022 Employee Recognition Event
- Department reviews and staffing considerations for now and the future
- Support and coordinate employee lunches, safety training day and micro sessions

- Employment staffing- Hired and onboarded Municipal Intern- Grant supported, Development Planner and 11 new casual operations staff
- Approved under the Canada Summer Job grant program for 6 Public operations staff
- HR working Picture Butte 2 days per week
- Updating safety directives, hosting and attending toolbox meetings and participating in joint health and safety committee meetings.

Agricultural Services

- Spraying is ongoing with the bulk of the work completed for the season. Just under 900 KM of road slope has been sprayed. Staff are currently working on or have completed pest surveys for canola, potatoes, wheat and grasshopper.
- The roadside mowing crew have completed the first round on all paved and gravel roads. The second will go much faster as regrowth in some areas is minimal. To date 2,000 KM (44 QTR Sections) of roadside have been mowed to date.
- Ag Services extension activities have been busy with Environmental Farm Plans, Canadian Agricultural Partnership (CAP) funding and Newsletter activity, 19 farm plans have been completed this year.
- Custom spray work for the Department of Transportation has been completed. Some of our ASB owned small equipment repair also fall under this section.
- Parks mowing is ongoing with less effort needed due to very dry conditions in some areas.
- The Monarch Playground capital project is complete, and the community and area is making good use of it.
- Safety Inspection are being done monthly and safety surfacing is being upgraded where necessary.

Fleet Services

- Regular maintenance of machinery and equipment is ongoing throughout the year to ensure equipment is safe and to help reduce any activity delays.
- Equipment purchase planning based on scheduled replacements and requirements are ongoing.

Capital Purchases to the end of July are as follows:

LETHBRIDGE COUNTY 2022 CAPITAL PROJECTS UPDATE			
Project Name	Budget Request	Spent to Date	Project Status
Replacement Divisional Grader	\$ 625,000	\$ 554,913	Grader purchased and received.
Replacement Divisional Grader	\$ 625,000	\$ 524,646	Grader purchased and received.
Replacement of FT-149 Case 9350 Tractor	\$ 500,000	\$ 385,200	Tractor purchased and received.
Replacement of ASB Tractor 175HP	\$ 190,000	\$ 226,500	Tractor purchased and received.
Forklift - Picture Butte Yard	\$ 100,000	\$ 110,836	Forklift purchased and received.
Track Skid Steer - Construction	\$ 80,000	\$ 86,500	Replacement program in place, no capital purchase cost required. Skid Steer received.
Replacement of 3 Trucks 2- 3/4 & 1 - 1 Ton	\$ 180,000	\$ 126,024	Two trucks purchased to date. Tank for 1 ton purchased; waiting on truck purchase.
Replacement of ASB Spray Truck	\$ 230,000	\$ -	Ordered, waiting for truck.
Replacement of Fuel Pumps - PB and Coaldale	\$ 40,000	\$ -	Not yet ordered.
Enterprise Fleet Program - 11 X Crew cab 1/2 ton Truck	\$ 495,000	\$ -	Ordered but not yet received.
Enterprise Fleet Program - 1 X Crew cab 1 Ton Truck	\$ 60,000	\$ -	Truck replacement no longer required for 2022.
Enterprise Fleet Program - 1 X SUV	\$ 55,000	\$ 45,101	Ordered and delivered.
Replacement of Skid Steer (Trade in EVCON)	\$ 70,000	\$ 6,416	Bobcat purchased and received.
Fire Services Truck	\$ 60,000	\$ 57,522	Truck has been purchased and received, lights and equipment install pending.
TOTAL CAPITAL PROJECT REQUEST	\$ 3,310,000	\$ 2,123,658	

Public Works

- The Public Works crews continue to be busy with road maintenance, signage, dust control, drainage activities, roadside cleanup and more
- General Dust Control Program applied 22,882 Lineal meters and for Residential dust control, the department applied 74,057 Lineal meters to 305 residences. Within the May to July time period, the following projects were completed by the specified work groups:
- The Construction work group completed rehabilitation on RR17-4 south of TWP8-1, RR21-1 from TWP12-0 to TWP12-1, Haul Route RR22-4 from HWY519 to TWP11-2 and 30% completed RR22-2 from TWP10-0 to TWP11-0.
- The Base Stabilization work group completed 28 miles of stabilization treatment and 167 miles of surface maintenance treatment.
- The Projects work group have installed 21 culverts, completed 2 ditch clean projects, conducted 5 soft spot road repairs, and installed 195 culvert markers.
- The Sign Truck work group have replaced or installed 200 signs and conducted street sweeping on multiple rural subdivisions.
- The Spray Patch work group have completed required hard surface patching on 35km of hard surface roadway as well as Fairview, Mountain Meadows, and Shaughnessy.

Grading and Graveling Update:

ACTIVITY	May to July	Year to Date
GRADING	2,366 Miles	5,089 Miles
GRAVELLING	109 Miles – 37,168 Tonnes	146.25 Miles – 49,870 Tonnes
Divisions 1,2,3,4,5 completed, Division 6 and 7 remaining.		

Utilities

The period of May to July have been busy for the Utilities Department as utility staff have been utilizing their vacation time, leaving a smaller crew to manage daily activities and deal with utility related issues as they arise.

However, the department continues to run smoothly and has finished the following activities:

- All of the AEP requirements have been completed with regards to weekly and daily testing of all of our Water Distribution sites for Lethbridge County as well as LNCPWCOP and COLRWA.
- 877 Alberta One Call requests were made and addressed.
- In June, with the assistance of Biologist Kirby England and ASB's Matthew Wells, the Utility Department installed a pond leveler downstream of the Shaughnessy lagoons. This leveler will help deal with water backup in the drainage caused by beavers in the area. Following that completion, discharge of the Shaughnessy Lagoons was done.
- In July there was a water main break and a hydrant repair in Fairview.
- In late July, a leak was discovered on the main regional line that feeds North of the river. Repairs were done and all sampling and flushing was completed.
- Assisted AEP with 7 inspections on County systems. McGill's Industrial continues to do inspection and cleaning of our sewer force mains in Hamlets throughout the County.

Infrastructure Services

The Infrastructure Department remains busy managing capital projects, issuing Requests for Proposals, working with engineering firms and contractors, and continued work on the Asset Management Program. An update of the Asset Management Program was presented to Council at the August 4th Council Meeting.

Below is a cost summary and status update of the capital projects (excluding Fleet capital purchases).

LETHBRIDGE COUNTY 2022 CAPITAL PROJECTS UPDATE			
Project Name	Budget Request	Spent to Date	Project Status
Horsefly Spillway - Southern Region Stormwater Committee	\$ 890,000	\$ -	Phase 1 design is almost complete, tender scheduled be issued in the fall of 2022.
RGE RD 21-1 Overlay (Corteva Road)	\$ 550,000	\$ 10,190	Construction tentatively scheduled to begin October 10th.
Iron Springs Road Improvements (RR 20-4, Centre St, 1st St)	\$ 1,510,000	\$ 31,175	This project is currently tendered.
Lafarge Road Re-Alignment	\$ 600,000	\$ 5,637	This project is in the design phase.
Water & Wastewater SCADA System Upgrades	\$ 600,000	\$ 108,512	This project is in the design and material procurement phase.
Bridge File #78397 Replacement	\$ 30,000	\$ 26,310	This project is completed.
Bridge File #79770 Replacement	\$ 350,000	\$ 17,114	Construction tentatively scheduled to begin in March 2023.
Transfer to Market Access Network Hard Top Roads/Bridges Reserve	\$ 1,064,780	\$ -	Year End Transfer
Calcium Base Stabilization Debt Repayment	\$ 705,220	\$ 352,615	Debt payments made as per repayment schedule.
AFSC Washroom Upgrades	\$ 7,500	\$ -	Project has not yet started.
Elevator Upgrades	\$ 120,000	\$ -	This project is in the design phase.
Financial Software Conversion (Phs. 2)	\$ 200,000	\$ 27,169	Project underway, configuration and training has begun. Anticipated completion fall 2022.
Carry Forward & Capital Project Additions			
Monarch Park Replacement	\$ 160,000	\$ 150,645	This project is completed.
Bridge File #79598 Replacement	\$ 450,000	\$ 229,302	Completed. Holdback paid, some engineering outstanding.
Bridge File #71467 Replacement	\$ 250,000	\$ 193,894	Completed. Final invoices outstanding.
Records Management System	\$ 65,000	\$ 41,632	Project is ongoing.
Shaughnessy Phase 4 and 5 Eng. and Land Purchase	\$ 116,000	\$ 124,743	Finalizing detailed design, tender, and stormwater easements.
Malloy Drain Phase 2B	\$ 340,000	\$ -	Coaldale working on land purchase and design.
Mountain Meadows Slope Remediation	\$ 695,000	\$ 92,009	This project tender has been awarded. Waiting on contractors schedule.
TOTAL CAPITAL PROJECT REQUEST	\$ 8,703,500	\$ 1,410,947	

Finance & Administration

The Finance & Administration Department spent the majority of the second quarter preparing, printing and mailing out the Assessment and Tax Notices as well as the Business Tax Notices.

Additional activities within the department include:

- The Municipal Intern was hired and started at the County on June 27th, reporting to the Manager of Finance & Administration.
- 7,916 Tax Notices were mailed for a total levy of \$23,587,378 (which includes requisitions), \$19,903,202 has been received in tax payments.
- Business Tax levied was 1,565,558, with \$1,493,031 in payments received to July 31st.
- Tax Penalties will be levied in August.
- Utility bills have been levied for January – July for a total of \$606,240, meter readings used are based on the previous months use.
- Payroll, Accounts Receivable and Accounts Payable are paid and invoiced on regular intervals to ensure timely payment and receipt of funds. Payroll has also been busy updating all the new hire information within the payroll system.
- The Manager of Finance & Administration continues to work on the implementation and configuration of the new financial software system. The Utility module should be ready to go live by the end of August.
- Budget preparation with all of the department managers will begin mid-August.

Information Technology (IT)

The IT Department manages and maintains all of the County's phones and computer related hardware and software as well as all Audio-Visual equipment. Throughout the year the department is busy assisting staff with IT support. equipment repairs and purchasing and installing scheduled equipment replacements.

The department has also been working on the following projects:

- Cyber Security: Implementations and Recommendations (year-round)
- Computer/Mobility: Installation and Maintenance (year-round)
- Financial System and Records Management: Implementation (year-round)

To date the following items related to records management have been completed:

Libraries have been built to match the Retention and Classification Scheme. Agreements have been transitioned into FileHold program with metadata fields filled in for each record. All bylaws have been imported from Bylaw 1 to current adopted bylaws and four training sessions have occurred with more scheduled for late August.

Community Services

The Community Services Department remains busy by providing assistance to all departments, updating policies, working through Planning and Development items and Economic Development related matters.

Some additional activities include:

- Researched and drafted a Waste Commission Bylaw and an ASB Bylaw for the Public Operations Department
- Successfully completed my three-day, virtual, Professional Registered Parliamentarian examination
- Helped facilitate county support for the Airshow
- Helped coordinate the creation of a professional video of the county to be filmed on August 22
- Met with City of Lethbridge twice to consider fire service options
- Wrote and presented six reports to council
- Assisting with planning for an emergency response exercise in September

Planning & Development

A thorough quarterly report of the Planning & Development Department was provided to Council at the August 4th County Council meeting. Below are a few highlights from the report:

- 122 Development Permits have been received as of June 30th, 114 have been issued, 3 refused and 15 are under review.
- Of the permits issued 30 are residential, 35 accessory buildings, 21 commercial/industrial, 13 agricultural, 4 signage, 2 home occupations, 1 institutional and 8 miscellaneous.
- Building Permits issued to June 30th include; 108 Building permits, 215 Electrical Permits, 137 Gas. 70 Plumbing and 31 private septic disposal system.
- As of July 31st, the planning department has received \$44,021 in Development Permit Revenue, \$77,840 for building permits and \$17,009 in other revenues related to planning.
- A surplus of \$20,00 in revenues has been projection at this time.

Emergency Services

The Emergency Services Department includes all of the CPO Activities, Fire revenues, fire agreement and Policing Costs. Revenues earned to date for fire services is \$733,811, this includes a large invoice for a 2021 fire response, which the County did not receive invoicing details for until 2022.

Fire Services

Responses in the County by Fire Department:

City of Lethbridge	50
Town of Coaldale	82
Town of Coalhurst	48
Town of Nobleford	40
Town of Picture Butte	99
Village of Barons	2

Below is a listing of the Regional Fire Services Coordinators activities to date:

- Investigations – 40 Business & 15 Fire, Inspections – 5, Plans review – 17
- Responded to 42 incidents with Contracted departments in second quarter
- Completed AHIMT block 2 training
- Continuing working with Dispatch on response plan implementation
- Implementing new records management program
- Worked with DEM on regional emergency management group
- Worked with DEM on regional exercise for September
- Assisted fire services with Air show
- Working with Coaldale on Fire Study
- Attended Alberta Fire Chiefs Association meeting
- Attended Alberta Fire Training Officers meeting and working on Fire training conference in Grand Prairie
- Worked with Mattie on multiple public education pieces
- Fully implemented new Fire permitting app – new program along with knowing I am out and about has drastically reduced amount of not permitted or burning during restrictions.
- Transported 1 dog to shelter when CPO was on holidays
- Worked with departments to adjust to Barons Fire Closure and made sure we still had area covered
- Assisted Baron with the dissolution of the department and its assets
- Hope to implement Fire Prevention officer/program to make public education and safety a high priority for the county. Currently only touching the surface of what could be accomplished.
- Currently working with Picture Butte Fire on ways to improve recruitment and retention of volunteers for county departments. Daytime response is getting harder and harder for volunteer departments. Businesses are less interested in letting employees leave during work hours.

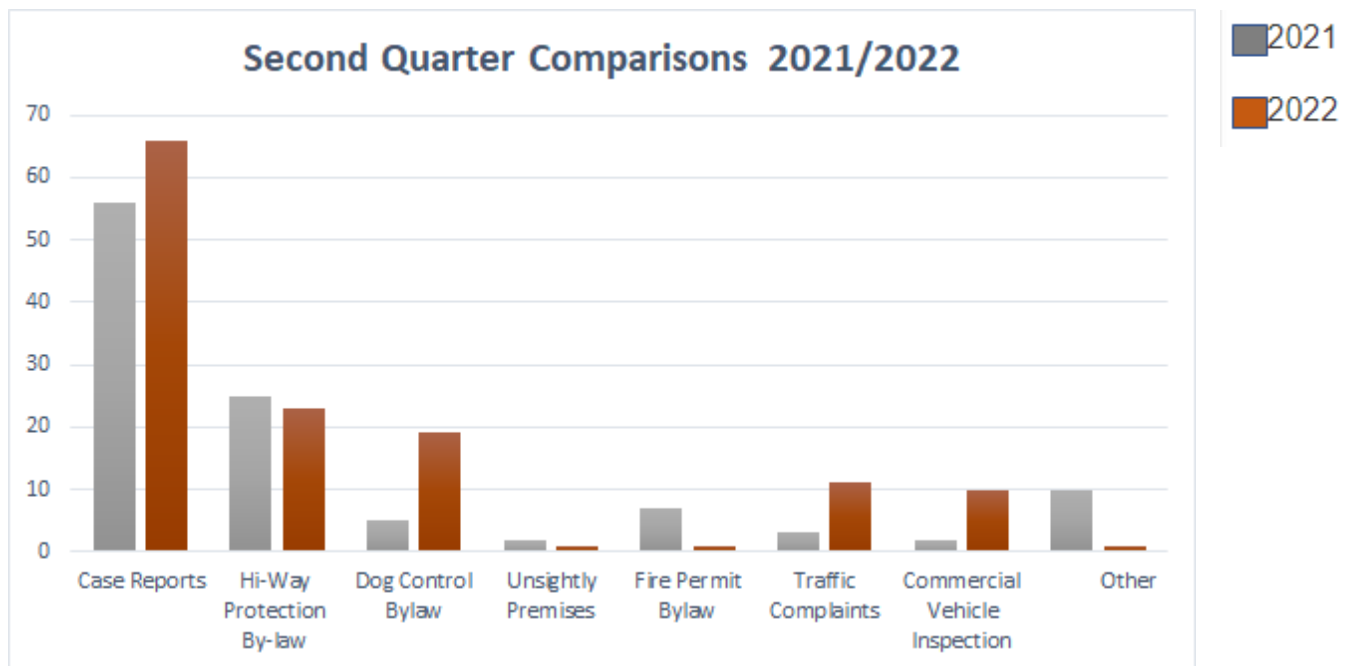
Community Peace Officer (CPO)

The Community Peace Officer has prepared a report of his activities for the second quarter. Below are a few highlights and a chart from the report comparing the 2021 to 2022 quarterly CPO activities.

Currently, Lethbridge County has one full-time CPO who uses education and enforcement to gain compliance on a variety of Lethbridge County Bylaws. The CPO is also authorized to enforce the Traffic Safety Act and regulations under the Act.

The County has received \$57,738 in Provincial fines to date, this number includes any outstanding fine from previous years that have since been paid. Actual amount for fines issued in 2022 is \$43,618.

Over the last quarter 149 violation tickets and 52 written warnings were issued. The majority of the violations and warnings were in regard to speeding, failing to stop at stop signs and some commercial vehicle violations.



Financial Information/Update

As the County prepares for the upcoming budget season, all departments will be doing a full analysis of their budgets as management must consider all cost increases related to the high inflation rates, we have seen this year. The County is already seeing the impact to fuel, supplies and materials, shipping/transport rates and contracted construction costs. Additionally, union negotiations will be taking place beginning in the fall, which may also have an impact on the budget.

Statistics Canada released the below statement on July 20, 2022:

“The rate of consumer inflation continued to rise, reaching 8.1% year over year in June, following a 7.7% gain in May. The increase was the largest yearly change since January 1983. The acceleration in June was mainly due to higher prices for gasoline, however, price increases remained broad-based with seven of eight major components rising by 3% or more”.

Below is a table from Statistics Canada showing the price of inflation by product for 2022.

Geography	Alberta (map)						
Products and product groups ^{3, 4}	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022
	2002=100						
All-items	152.8	154.5	156.5	157.0	159.2	161.4	161.4
Food ⁵	162.9	164.6	166.5	167.5	168.8	169.3	170.5
Shelter ⁶	186.2	188.4	187.2	189.7	191.7	194.7	193.7
Household operations, furnishings and equipment	121.3	122.8	125.0	126.0	127.5	127.4	127.6
Clothing and footwear	94.9	94.8	97.0	97.3	100.3	99.5	96.9
Transportation	166.9	169.4	176.9	174.8	178.9	187.0	187.5
Gasoline	210.6	221.8	251.6	236.4	254.7	289.0	278.7
Energy ⁷	229.7	240.3	245.3	239.5	254.3	284.2	268.4
Goods ⁸	134.5	136.6	139.2	138.9	141.5	144.5	143.3
Services ⁹	172.2	173.2	174.3	176.0	177.5	178.6	180.2

Provincial Updates

No new funding announcements have been made since the last quarterly report, the below information remains the same as in the last financial report. As is the practice, administration will continue to look for additional grant funding to assist with capital projects as information becomes available.

Municipal Sustainability Initiative (MSI) Grant Funding

The province has notified that the MSI Grant funding stream will end in 2023-24 and will be replaced with the Local Government Fiscal Framework (LGFF) beginning in 2024-25. The LGFF will include \$722 million in capital funding legislated under the Local Government Fiscal Framework Act and non-legislated operating funding.

The 2023 allowance will be similar to 2022 allocations (MSI Capital including BMTG – \$1,388,843 & MSI Operating - \$105,390). These allocations are based on Budget 2022 targets and will be confirmed upon legislative approval of the provincial Budget 2023.

Canada Community Building Fund (CCBF) (Formerly Gas Tax Fund) Grant Funding

The 2022 allocation has been announced at \$620,413 (2021 allocation was \$619,899 plus top-up of \$592,320).

Grant Summary

Lethbridge County GRANTS SUMMARY as at July 31, 2022

	Budget- As approved	Approved	Received	Comments
ADMINISTRATION & FINANCE				
MSI Operating - Consultant -Assessment Review	35,000		35,000	Submission of Spending Plan no longer required
Municipal Affairs - Municipal Intern Grant	60,000	Y	60,000	Grant is for full 18 month Term
INFORMATION TECHNOLOGY				
MSI Operating - Financial Software Conversion Phase 2	90,000		90,000	Submission of Spending Plan no longer required
MSI Operating - Consultant -Scanning Records	30,000		30,000	Submission of Spending Plan no longer required
AGRICULTURAL SERVICES				
ASB Legislative & Resource Management Funding Grant	217,907		217,907	Annual Allocation
		Y		
PUBLIC WORKS				
MSI - Horsefly Spillway-Southern Region Stormwater Committee	890,000		-	Approved project.
MSI - Rge Rd 21-1 Overlay (Corteva Road)	550,000	Y	-	Approved project.
MSI - Iron Springs Rd Improvements(RR20-4, Centre St., 1st St.)	1,510,000	Y	-	Approved project.
MSI - Lafarge Road Re-Alignment	600,000	Y	-	Approved project.
MSI-BMTG Road Rehabilitation	248,950	Y	-	Approved project.
TOTAL	\$ 4,231,857		\$ 432,907	

	Projects C/F to 2021	Approved	Received	
EMPP - Unified ECC/EOC Functional Exercise	3,200.00	Approved	3,200.00	To complete by Dec. 31, 2022.
FGTF - Mountain Meadows Slope Failure Remediation-GTF 16(514,000.00	Y	514,000.00	C/F to 2022
MSI - 8 Mile Lake Basin & Battersea Drain - CAP 8842	181,856.00	Y	235,000.00	C/F to 2022
MSI - Rave Infrastructure Upgrades-Eng. - CAP7711	120,940.00	Y	160,000.00	C/F to 2022. Project tied with Hwy 3 Corridor.
MSI - Shaughnessy Ph4&5 - Eng & Land Purchase - CAP 1229(94,865.00	Y	135,000.00	C/F to 2022
MSI - Sunset Acres Base & Pave 9RR224) - CAP 13392	366,196.77	Y	700,000.00	C/F to 2022
MSI - Malloy Phase 2B-CAP 13395	340,000.00	Y	340,000.00	C/F to 2022
		Y		
	Project Not in Budget	Approved	Received	
STIP-LRB - Bridge File #79770	300,000	D	-	Project not approved.
MSP - Iron Springs Road Improvement	197,036	Y	197,036.00	Project approved-May 26, 2022.
ACP - Municipal Internship - Finance Officer	60,000	Y	60,000.00	Funds received-August 3, 2022
Summer Jobs Grant	14,000	Y		To use funds by August 31, 2022

Y - Yes, project is approved.

N - No, awaiting for approval.

D - Declined.

P - Pending.

C - Cancelled.

Investment Summary

Below are comments related to the investment market from the County's Advisor, James Hobson, CIBC Wood Gundy.

Market Commentary:

- The Bank of Canada is expected to further hike interest rates by 75 basis points in September to bring the policy rate to 3.25%.
- The US Federal Reserve is also expected to make a similar announcement to bring the Fed Funds range to a 3.25% ceiling.
- Supply chain issues and the war in Ukraine will keep the multi-decade high inflation numbers elevated in the near-term.
- The recent pull-back in oil prices signals relief could be around the corner, and come 2023, we anticipate inflationary pressure to moderate as supply chain issues ease and global economic activities slow.

Market Volatility:

- All investments remain fully compliant with the MGA section 250 which restricts all investments held to be principally guaranteed.
- Price changes on bonds fluctuate with prevailing market conditions and while the recent returns are shown as negative, these are temporary fluctuations that do not impact the principal guarantee on each bond at maturity nor the minimum interest rates or annual investment revenues that were locked-in at the time of purchase.
- As all investments held have a principal guarantee, the volatility is known to be temporary. However, this volatility also provides a positive impact to the portfolio as our expected rate of return for the portfolio going forward has materially increased. The bond ladder that we have setup is exactly for these type of market conditions. A bond ladder is an investment strategy that is employed to hedge against a rising rate environment by evenly distributing maturities across various terms. Every year we will have maturities coming due along with annual cash flows that can be utilized to take advantage of prevailing market conditions. As maturities come due and interest is paid, all reinvestments will be at higher rates than when originally purchased (above 4%), which is well above the minimum rates of return that we have locked-in on the existing portfolio.
- Priorities should be focused on minimizing cash balances and taking advantage of the higher interest rate environment to hedge against inflation.
- In light of the historic move in interest rates over the past 6 months (which we have not seen for at least 40 years), the total return since inception of the portfolio remains positive at +3.053%.
- To put into perspective the significant change in bond prices - the Benchmark FTSE/TMX Canada Universe Bond Index was down -11.39% in the past year.
- We continuously monitor the portfolio to take advantage of market conditions which enhances returns above the minimum forecasted yield at the time of purchase. This past year, we identified several opportunities to reinvest approximately \$2.2M of existing positions into higher yielding investments with identical structures, and also crystalized an excess 4% gain on one of the investments. We continuously shop the major banks for the most competitive investment vehicles as the market evolve in order to increase portfolio yield and/or lock-in gains.

Investment Summary

DATE INVESTED	DATE MATURITY	PURCHASE PRICE	MATURITY VALUE	Monthly Interest	Total Interest	Interest Rate	Type
March 17, 2022	March 17, 2023	2,069,355.56	2,096,257.18	2,284.80	26,901.62	1.300%	CWB GIC
April 14, 2022	April 15, 2023	2,709,425.27	2,758,736.81	4,188.10	49,311.54	1.820%	Canaccord
February 25, 2022	February 27, 2023	1,031,150.40	1,050,742.29	1,663.97	19,591.89	1.900%	Canaccord
October 19, 2021	October 19, 2022	2,036,200.00	2,051,471.50	1,297.03	15,271.50	0.750%	Servus Credit
December 31, 2021	December 31, 2022	5,828,131.98	5,952,271.19	10,344.93	124,139.21	2.130%	CIBC WoodGundy
December 31, 2021	December 31, 2022	3,274,615.59	3,344,364.90	5,812.44	69,749.31	2.130%	CIBC WoodGundy
September 30, 2021	September 30, 2022	5,000,000.00	5,105,000.00	8,750.00	105,000.00	2.100%	Raymond James
		21,948,878.80					
RBC Investment Account		13,290,819.70	13,291,632.44	812.74	9,569.39	0.072%	RBC
	TOTALS	35,239,698.50	35,650,476.31	35,154.02	419,534.46		
May 7, 2022	May 7, 2023	255,525.18	262,168.83	564.26	6,643.65	2.600%	CWB GIC