

ADMINISTRATIVE REPORT

TO: Robert Nicolay, City Manager	DATE: August 29, 2017
FROM: Reginald Hammond, CPA, CGA Assistant Finance Manager	MEETING: Corporate Services Committee
SUBJECT: Unaudited Financial Statement- June 30,2017	

RECOMMENDATIONS

That the Corporate Services Committee receive the unaudited financial statements and schedules for the six month period ended June 30, 2017, for information.

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

There are no previous Council or Committee directions.

BACKGROUND

The purpose of this report is to present the unaudited financial statements and supplementary schedules for the six month period ended June 30, 2017.

ANALYSIS

Operating variances are the result of a comparison between actual financial results and allocated budget. The annual budget is a model that is prepared at a specific point in time and is based on assumptions for the future. Once approved, the budget remains a static document which becomes a guide for administration and provides a tool for financial analysis. Factors such as, economic conditions, weather conditions, and other unforeseen and external factors have an impact on service provision and ultimately, variance reporting. Administration is responsible to actively monitor and manage the overall operating results to ensure provision of service is maintained and overall operational costs are contained within available resources.

Appendix A, attached to this report, provides a summary of forecasted variances for the year ended December 31, 2017.

Relationship to City Council's Focus Areas / Strategic Directions

Adopting this reporting model and the communication of it with the city's stakeholders aligns with Council's Guiding Principle of being Fiscally Responsible

Environmental Impact

There are no environmental impacts associated with this report.

Economic Impact

There are no relevant economic impacts associated with this report.

Social Impact

There are no relevant social impacts associated with this report.

Relevant Statutes / Master Plans / City Documents

Section 153(d) of the Municipal Government Act states that:

“Councillors have the duty to obtain information about the operation of administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer”.

Risk

There are no relevant risks associated with this information

Alternatives (Optional)

1. Committee may request further information from administration.

STAKEHOLDER ENGAGEMENT

The unaudited financial statements will be posted on the City's website

BUDGET / FINANCIAL IMPLICATIONS

The total forecasted 2017 operating surplus is \$ 700,000. Operating variances have been reported on Appendix A.

SUMMARY / CONCLUSION

An operating surplus of \$700,000 is forecasted for the year ended December 31, 2017. This projected surplus does not include the depreciation expense.

ATTACHMENTS

The following financial statements and schedules are attached:

- Attachment 1. - Operating Revenue and Expenditure Summary
- Attachment 2. - Financial Statement Highlights Appendix A
- Attachment 3. - Statement of Financial Position
- Attachment 4. - Operating Reserves
- Attachment 5. - Long Term Debt and Debt Servicing
- Attachment 6. - Council Travel Expense
- Attachment 7. - Key Performance Indicators

City of Grande Prairie
Operating Revenue And Expenditure Summary
For the Period Ending June 30, 2017

Description	YTD Actuals	YTD Budget	Variance	Annual Forecasted Variance (in thousands)
City Manager	2,774,709	3,108,511	333,802	11
Community Safety/Growth	26,297,741	29,118,320	2,820,579	1,677
Community Living	18,357,027	15,889,786	(2,467,241)	(1,563)
Corporate Services	5,078,962	5,418,873	339,911	340
Fiscal Services	121,593,873	121,956,242	362,369	235
Total Summary of All Programs	<u>174,102,312</u>	<u>175,491,732</u>	<u>1,389,420</u>	<u>700</u>
Depreciation Expense	10,075,743			20,151,486

Note: This report is a net of Revenue and Expenditures.

The City of Grande Prairie
Financial Statement Highlights
30-Jun-17

Appendix A
(In Thousands)

City Manager		11
Council budget savings in Public relations, conferences and other general goods and supplies	155	
City Manager shortfall due to recruitment costs	(42)	
Communications and Citizen Engagement surplus mainly due to revenue generated from Community Connections publication and salary savings	33	
Economic Development savings due to a vacant position and revenue generated from land leased to Eastlink for cell tower	65	
Corporate Web Management general program savings	11	
Legislative services surplus due to increased property assessment appeals application fees and other general cost savings	60	
Common Services shortfall mainly due to increased legal fees and reduced insurance premium recoveries compared to budget	(337)	
Human Resources salary savings	41	
Health and Safety mainly due to general cost savings	25	
Community Safety/ Growth		1,677
Environmental Stewardship general program cost savings	2	
Geographical Information Systems salary savings due to vacancies	40	
RCMP surplus mainly due to rent reconciliation recovery received from the K-Division for provincial use of detachment	249	
Crime Prevention salary savings due to vacancies	30	
Fire Department surplus due to motor vehicle collisions recovery, reduced utility costs and salary savings due to vacancies	374	
Enforcement Services surplus resulting from increased court fine revenue	148	
Engineering salary savings due to vacancies	156	
Transportation Services surplus mainly due to favourable weather conditions	490	
Safety Codes surplus mainly due to vacancies and other cost savings	170	
Planning and development general program cost savings	18	
Community Living		(1,563)
Community Living shortfall resulting from salary related expenses	(256)	
Service Centre shortfall due to increased utility expense resulting from expansion of facility	(78)	
Transit shortfall mainly due to decline in public transit ridership revenues resulting from the weak state of the economy.	(155)	
Custodial services shortfall due to increased salary expenses	(10)	
Community Recreation and Sports reduced grants allocation and general cost savings	21	
Peace Library- savings due to grant allocation being lower than anticipated.	50	
Montrose Cultural Centre general program cost savings	30	
Heritage Resources savings mainly due to programming review and restructuring	59	
Parks savings mainly due to salary and general cost savings	95	
The Leisure Centre cost savings mainly due to reduced salary and utility expenditures	95	
Bear Creek Pool mainly utility cost savings	12	
Dave Barr savings mainly due to program restructuring	20	
Coca Cola Center shortfall mainly due to reduced revenues from ice rentals and advertising	(47)	
Eastlink Centre revenue shortfall projected at Year End from a decline in annual memberships and drop in fees since March 2017. Depressed economy has also impacted membership renewals. Some improvement in revenues anticipated in fall. Also, slightly higher facility lifecycle repairs in 2017 due to carry over from 2016	(1,525)	
Revolution Place shortfall mainly due to weak economy resulting in decreased show revenues and the impact of a weaker Canadian dollar which reduce the revenue margin per headline show, as most concert fees are paid in US currency as per industry standard	(76)	
Muskoseepi Park Admin general program cost savings	10	
CSD admin general cost savings	30	
CSD Building general cost savings	19	
CSD Outcomes savings mainly due to salary savings resulting from a department restructure	80	
Rising Above Park Campus surplus mainly due to utility savings	58	
FCSS Home Support Services mainly salary savings due to vacancies	5	

Corporate Services		340
Accounting services general program cost savings	5	
Information Technology services general program cost savings	2	
Procurement department shortfall due to salary related expenses and recruitment	(50)	
Assessment surplus mainly due to salary savings	80	
Facilities Department mainly salary savings and increased operational efficiencies.	303	
Fiscal Services		235
Increase in property tax penalties.	275	
Franchise fee revenue shortfall due to weak economy and mild weather conditions	(295)	
Interest on Investments shortfall mainly due to low interest rates	(350)	
Other Government Agencies surplus mainly due to increased tax sharing agreement with Town of Sexsmith and County of Grande Prairie	105	
Operating Contingency surplus due to employee benefit cost savings	500	
		700

CITY OF GRANDE PRAIRIE
STATEMENT OF FINANCIAL POSITION
June 30, 2017

	Jun 30 2017	DEC 31 2016
FINANCIAL ASSETS		
Cash & Temporary Investments	166,336,235	114,747,464
Taxes & Grants in Lieu of Taxes	43,212,695	5,412,160
Trade & Other Receivables	4,850,992	10,103,670
Agreements Receivable	19,740,358	19,743,040
Land Held for Resale	752,300	752,300
Investments	80,813,052	67,656,385
	<u>315,705,632</u>	<u>218,415,018</u>
FINANCIAL LIABILITIES		
Accounts Payable & Accrued Liab	14,807,850	18,509,939
Deferred Revenue	38,019,593	22,686,758
Long-term Debt	133,957,505	138,412,585
	<u>186,784,949</u>	<u>179,609,282</u>
NET FINANCIAL ASSETS	128,920,683	38,805,736
NON FINANCIAL ASSETS		
Inventory for Consumption	772,508	750,959
Prepaid Expenses	902,351	249,411
Tangible Capital Assets	620,819,622	613,121,915
	<u>622,494,482</u>	<u>614,122,285</u>
NET ASSETS	<u>751,415,165</u>	<u>652,928,020</u>
MUNICIPAL EQUITY		
ACCUMULATED SURPLUS	<u>751,415,165</u>	<u>652,928,020</u>

**CITY OF GRANDE PRAIRIE
OPERATING RESERVES
June 30, 2017**

	BALANCE DEC 31/16	TRANSFER TO RESTRICTED FUND	OTHER ADDITIONS	SUB TOTAL ADDITIONS	REDUCTIONS	BALANCE June 30/2017
Fleet Management System	14,174,949	36,746	0	36,746	559,129	13,652,566
Winter Stabilization	2,455,038	110,265	0	110,265	0	2,565,304
Cemetery Perpetual Care	2,531,935	10,778	14,950	25,728	0	2,557,663
Public Housing Commission	542,241	2,308	0	2,308	0	544,549
Fire Dept Equipment Replacemer	764,473	3,354	131,500	134,854	100	899,227
RCMP Detachment Reserve	295,946	1,270	0	1,270	11	297,205
Facility Renewal Reserve	598,306	2,875	3,551,868	3,554,743	2,372,322	1,780,727
Public Reserve	2,444,214	10,404	0	10,404	200,000	2,254,618
Transportation System Levy	5,574,632	28,819	172,828	201,647	9,666	5,766,613
Future Expenditure	11,266,599	47,959	1,700,000	1,747,959	4,050,704	8,963,855
Financial Stabilization	6,911,802	18,479	2,324,680	2,343,159	2,061,384	7,193,578
Pinnacle Ridge Special Tax	6,949	30	0	30	0	6,978
Public Art	25,000	106	0	106	0	25,106
	\$47,592,084	\$273,393	\$7,895,826	\$8,169,219	\$9,253,316	\$46,507,989

**Long-Term Debt and Debt Servicing
For the Quarter Ended
June 30, 2017**

		<u>Actual</u>
Opening Balance:	March 31, 2017	136,137,984
Less:		
Principal portion of debt payments		-2,180,480
Plus:		
Additional debt taken		0
Ending Balance:	June 30, 2017	<u><u>133,957,505</u></u>
Interest paid on Long-Term Debt		<u><u>1,305,194</u></u>
April 1, 2017 - June 30, 2017		

Contribution Room

Legal Debt Limit:	December 31, 2016	253,781,447
Ending Balance:	June 30, 2017	133,957,505
Remaining Debt Limit		<u><u>119,823,942</u></u>

CITY OF GRANDE PRAIRIE
TRAVEL EXPENSE REIMBURSEMENT TO COUNCIL
As AT June 30, 2017

Council Members	Mandatory and City Business Expenditures	Discretionary Expenditure	Total
GIVEN, BILL	5,494.81	836.40	6,331.21
CLAYTON, JACKIE	1,369.94	6,876.71	8,246.65
LOGAN, DWIGHT	0.00	30.00	30.00
MCLEAN, KEVIN	5,444.93	11,371.48	16,816.41
O'TOOLE, KEVIN	5,638.56	4,982.07	10,620.63
RADBOURNE, LORNE	621.62	3,795.47	4,417.09
RICE, HELEN	685.14	6,125.45	6,810.59
THIESSEN, CHRIS	6,872.55	1,216.45	8,089.00
TARANT, RORY	3,499.64	1,734.95	5,234.59
	<u>29,627.19</u>	<u>36,968.98</u>	<u>66,596.17</u>

Notes:

Mandatory and City Business Expenditures include:

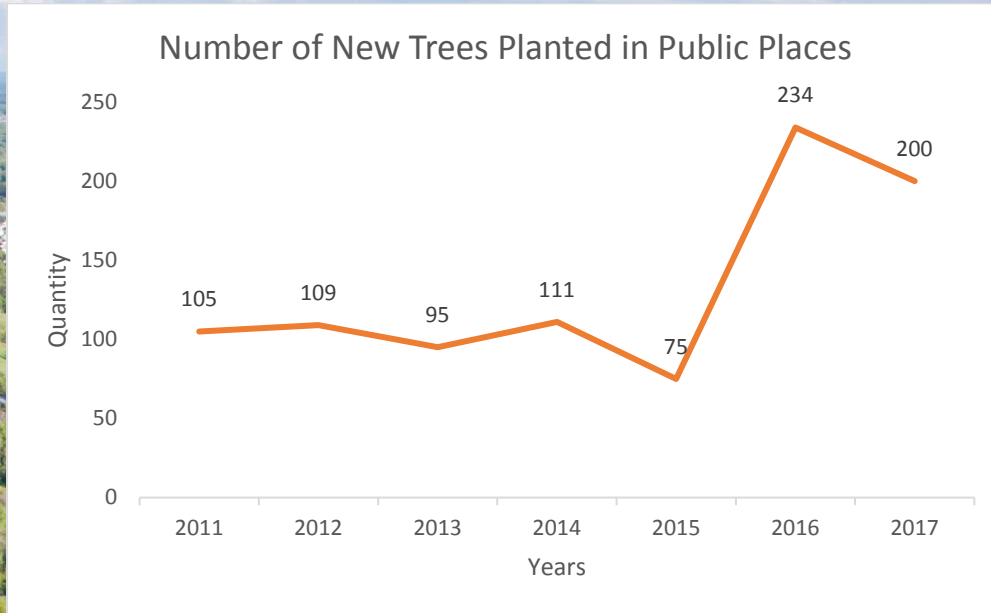
- AUMA / AAMDC Conference
- All Committee or Board meetings where the Council member attends as the City's representative including travel, meals, accommodations and per diems.

Discretionary Expenditures include:

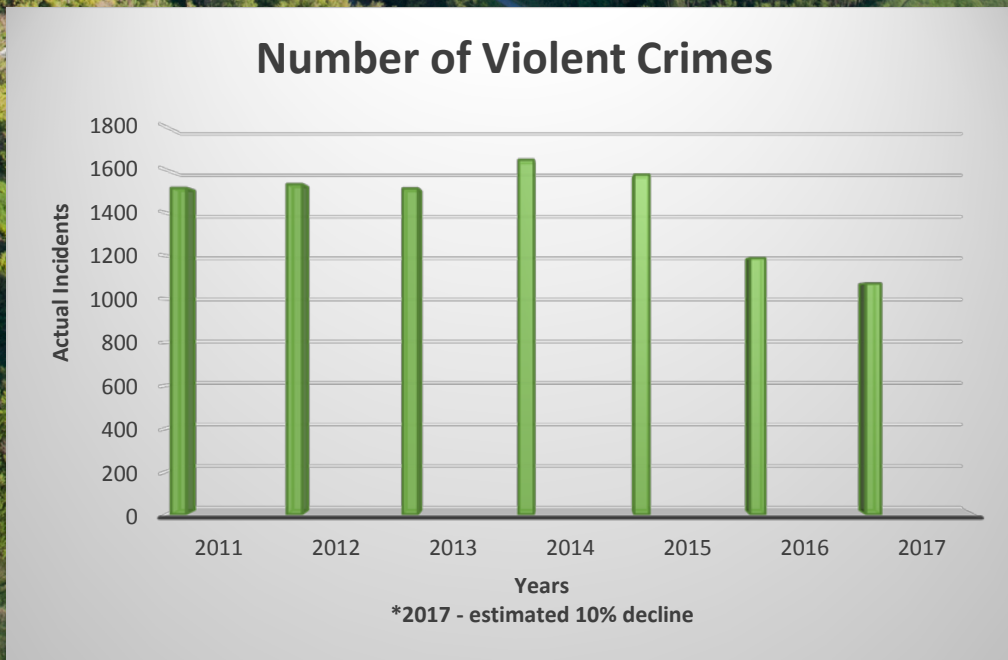
- FCM Conference
- Other conferences that Councillors attend
- Public relation items including cost of attendance at not-for-profit fundraisers or other events, travel, meals, accommodations and per diems.

KEY PERFORMANCE INDICATORS FOR THE QUARTER ENDED JUNE 30, 2017

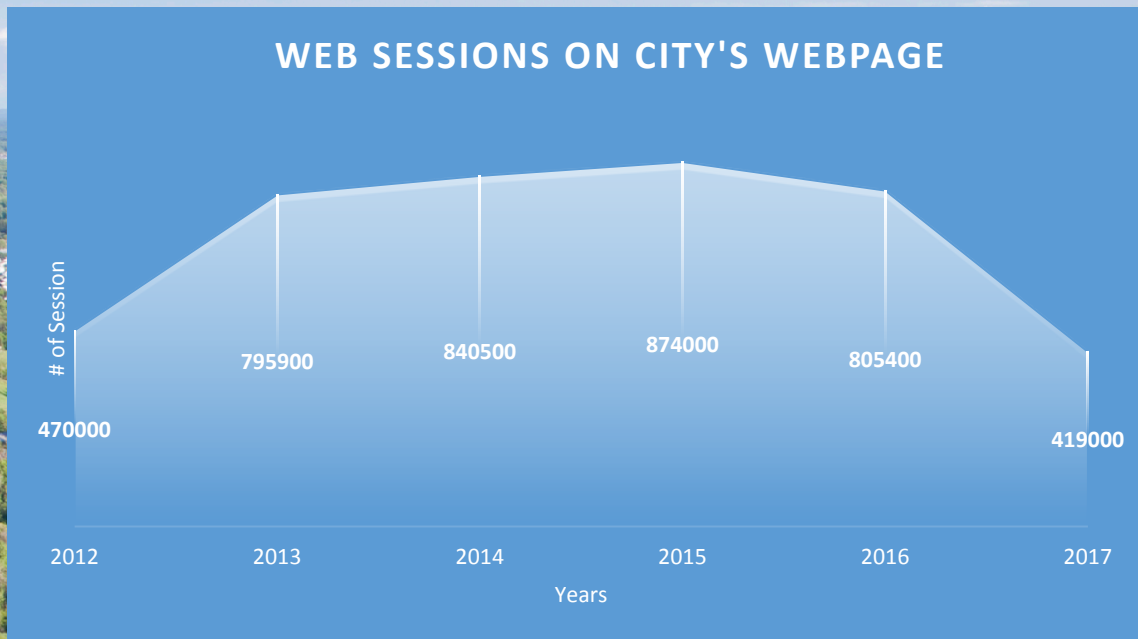
1. **NUMBER OF NEW TREES PLANTED IN PUBLIC PLACES:** THE NUMBER OF NEW TREES PLANTED EACH YEAR MEASURES AN ACTIVITY THAT HELPS CREATE A MORE BEAUTIFUL AND SUSTAINABLE AREA.



2. **NUMBER OF VIOLENT CRIMES:** THE NUMBER OF VIOLENT CRIMES IS A MEANS FOR DETERMINING THE OVERALL SAFETY OF THE CITY AND SERIOUSNESS OF CRIME IN THE AREA.



3. **NUMBER OF WEB SESSIONS ON THE CITY'S WEBPAGE:** A SESSION REPRESENTS A BLOCK OF TIME THAT A USER BROWSES THE CITY'S WEBPAGE FOR INFORMATION. KEEPING TABS ON THE NUMBER OF BROWSERS ON THE CITY'S WEBPAGE HELPS TO UNDERSTAND HOW MANY RESIDENTS ARE ACTIVELY ENGAGED ONLINE.



4. **LONG TERM DEBT:** THIS IS MONEY BORROWED THAT NEEDS TO BE PAID BACK (USUALLY WITH INTEREST) AT A LATER DATE. LONG TERM DEBT CAN BE USED TO FUND THINGS LIKE CAPITAL PROJECTS (E.G. RENOVATING A BRIDGE OR CONSTRUCTING A RECREATIONAL FACILITY SUCH AS THE BEAR CREEK POOL)

