

**CITY OF
GRANDE PRAIRIE**

ADMINISTRATIVE REPORT

TO: Greg Scerbak
City Manager **DATE:** March 27, 2013

FROM: Susan Walker
Finance Manager

SUBJECT: UNAUDITED FINANCIAL STATEMENTS – DECEMBER 31, 2012

RECOMMENDATION

It is recommended that Council receive for information the unaudited financial statements and schedules for the twelve month period ended December 31, 2012.

It is recommended that Council approve transfer of \$1,059,000.00 to the Facility Renewal Reserve. This amount represents the portion of the 2012 operating surplus related to facility maintenance projects deferred until 2013 due to reorganization of the department.

It is recommended that Council approve transfer of \$4,000,000.00 to the Future Expenditure Reserve to fund the Leisure Centre Renovation capital project. This would replace long term debt as the funding source.

It is recommended that Council approve transfer of \$1,429,415.00 to the Financial Stabilization Reserve as per City policy #338 representing the remaining 2012 operating surplus.

It is recommended that Council approve the reduction of the 2013 operating budget by \$1,466,141.00 to adjust for long term cost savings related to RCMP building lease, insurance costs, debt principal & interest payments and to include increase for the Peace Library System per capita grant previously approved by Council.

BACKGROUND

The purpose of this report is to present the financial statements and supplementary schedules for the twelve month period ended December 31, 2012.

The following financial statements and schedules are provided:

- Operating Revenue and Expenditure Summary
- Statement of Financial Position
- Operating Reserves
- Long Term Debt and Debt Servicing
- Travel Expense Reimbursement to Council

ANALYSIS

Operating variances have been reported on Appendix A.

SUMMARY/CONCLUSION

An operating surplus of \$6,488,415 is reported for the year ended December 31, 2012.

CC: Ken Anderson, CA, MBA
Chief Financial Officer

City of Grande Prairie
Summary of All Programs
For the Period Ending December 31, 2012

Description	YTD Actual	YTD Budget	Variance
City Manager	1,271,238	1,419,948	148,710
Community Growth	4,412,242	4,547,118	134,876
Community Living	20,482,662	22,549,296	2,066,634
Community Safety	39,715,589	40,678,559	962,970
Corporate Services	11,469,895	13,407,126	1,937,231
Fiscal Services	-83,840,042	-82,602,047	1,237,995
Total Summary of All Programs	<u>-6,488,415</u>	<u>0</u>	<u>6,488,415</u>
Depreciation Expense	15,828,249		
Gain/Loss on Disposal	109,219		

**THE CITY OF GRANDE PRAIRIE
FINANCIAL STATEMENT HIGHLIGHTS**

**Appendix A
(In Thousands)**

City Manager		149
City Manager program savings	4	
Human Resource salary savings	132	
Health & Safety program savings	13	
Community Growth		135
Community Growth program savings	10	
Marketing & Communications consulting services savings	19	
Economic Development mainly advertising & printing savings	13	
Strategic Services salary savings	116	
Environmental Sustainability program savings	5	
GIS increased revenue from Aquatera & professional services savings	125	
Development Svc reduced building permit revenue & increased contracted inspection services, loss of regional contracts	-537	
Crystal Centre mainly salary & utility cost savings	384	
Community Living		2,066
Community Living	17	
Public Housing operations	-18	
Community Recreation & Sports mainly salary savings	192	
Montrose Cultural Centre increased Teresa Sargent Hall revenue & cost savings in natural gas & maintenance	51	
Heritage Resources mainly salary savings	41	
Culture program savings	11	
Community Social Development		
CSD Admin	-3	
CSD Building mainly utility savings	60	
Outcomes grant from 2011	32	
Community Projects program savings	6	
Youth Services costs	3	
Home Support Services salary savings	24	
External Projects Funding program savings	3	
Parks		
Cemetery mainly increased transfer to perpetual care reserve	-62	
Parks admin mainly salary savings	97	
Turf Mowing increased parks service revenue	11	
Turf Maintenance & Repair increased program costs	-3	
Trees & Annuals mainly salary & contract savings	169	
Outdoor Recreation Facilities increased revenue & utility cost savings	54	
Sanitation & Festive Lights program savings	8	
Weed & Pest Control mainly salary and & contract savings	88	
Leisure Centre mainly salary & utility cost savings	252	
Bear Creek Pool increased salaries	-3	
Dave Barr mainly utility cost savings	78	
Coca Cola Centre mainly increased advertising revenue, salary & utility savings	372	
Eastlink Centre mainly increased revenues & utility savings offset by increased salaries & bank charges	485	
Muskoseepi Park Admin mainly security, utilities & maintenance savings	62	
Muskoseepi Park Pavilion program savings	23	
Interpretive Programs salary savings due to vacancy	22	
Special Events increased program costs	-6	

Community Safety

963

Community Safety mainly contracted janitorial savings	14
Crime Prevention mainly consulting service savings	47
RCMP salary & contract savings due to vacancies & duplicate lease budget	799
Fire Svc reduced revenue due to Hazmat contract with County not complete offset by increased revenue from Mackenzie county fire & program cost savings mainly in utilities	210
Enforcement Svc increased licenses, parking meters, photo radar & court fine revenue & utility cost savings	684
Common Services Admin salary savings	388
Engineering General salary savings due to vacancies	246
Snow Removal mainly increased contracted services, salt & sand	-787
Gravel Roads mainly water costs for dust control	-149
Street Cleaning early end to sweeping season	107
Asphalt Roads early end to maintenance season	45
Concrete early end to maintenance season	107
Street Lighting electricity costs	-726
Railway Crossing early end to maintenance season	40
Traffic Signals reduced maintenance costs	20
Traffic Signs increased maintenance	-5
Storm Sewers salaries & maintenance	-77

Corporate Services

1,938

Council mainly savings in remuneration, advertising & public relations	96
Legislative Services mainly increased ARB/MGB fees & salary savings	10
Accounting salary savings due to vacancies	154
IT Services mainly increased software costs	-135
Common Services insurance savings	705
Purchasing salary savings	5
Assessment & Taxation increased tax certificate revenue & reduced advertising & consulting costs	60
Fleet System reduced transit recovery	-26
Land Operating program savings	10
Facilities programs realized an overall salary surplus due to vacancies not filled while a departmental restructuring initiative was conducted. Facility maintenance projects are deferred to 2013.	1,059

Fiscal Services

1,237

Net Taxes increased supplementary property tax revenue less requisitions	13
Other Revenue	
Property tax penalties higher than expected	36
Franchise Fee revenue Atco Electric (70), Atco Gas 124, Aquatera 84	138
Return on investment Aquatera dividend	37
Other Revenue	-75
Tax revenue sharing agreements County (26), Sexsmith (8)	-34
Fiscal Services	
Debt Servicing cost savings due to delay in debt acquisition & interest accrual adjustments	848
Operating Contingency not required for operations	274

6,488

**CITY OF GRANDE PRAIRIE
STATEMENT OF FINANCIAL POSITION
December 31, 2012
(THOUSANDS)**

	<u>DEC 31 2012</u>	<u>DEC 31 2011</u>
FINANCIAL ASSETS		
Cash & Temporary Investments	307,195,631	299,691,522
Taxes & Grants in Lieu of Taxes	3,378,691	4,726,688
Trade & Other Receivables	9,016,282	6,800,977
Agreements Receivable	11,192,791	11,832,234
Land Held for Resale	629,100	645,100
Investments	48,338,493	48,338,493
	<u>379,750,988</u>	<u>372,035,014</u>
FINANCIAL LIABILITIES		
Accounts Payable & Accrued Liab	15,033,732	14,799,301
Due to Aquatera Utilities	0	383,674
Deferred Revenue	25,897,174	23,531,758
Long-term Debt	143,483,234	148,182,283
	<u>184,414,140</u>	<u>186,897,016</u>
NET FINANCIAL ASSETS	195,336,849	185,137,998
NON FINANCIAL ASSETS		
Inventory for Consumption	579,074	636,414
Prepaid Expenses	93,727	40,476
Tangible Capital Assets	475,965,202	467,610,923
	<u>476,638,003</u>	<u>468,287,813</u>
NET ASSETS	671,974,852	653,425,811
MUNICIPAL EQUITY		
ACCUMULATED SURPLUS	671,974,852	653,425,811

OPERATING RESERVES
December 31, 2012

	BALANCE DEC 31/11	TRANSFER TO RESTRICTED FUND	OTHER ADDITIONS	SUB TOTAL ADDITIONS	REDUCTIONS	BALANCE Dec 31/12
Fleet Management System	12,219,532	535,812	1,634,260	2,170,073	2,018,572	12,371,032
Winter Stabilization	2,725,593	121,036	0	121,036	0	2,846,629
Cemetery Perpetual Care	1,284,718	63,201	214,640	277,841	0	1,562,559
Public Housing Commission	556,787	18,912	90,000	108,912	292,881	372,818
Fire Dept Equipment Replacement	672,649	32,462	203,918	236,381	113,488	795,541
RCMP Detachment Reserve	267,320	11,871	0	11,871	0	279,191
Facility Renewal Reserve	1,123,673	103,572	11,344,308	11,447,880	8,853,585	3,717,967
Public Reserve	1,339,287	32,012	652	32,664	959,018	412,933
Transportation System Levy	9,786,781	409,140	3,867,050	4,276,191	5,282,148	8,780,823
Future Capital Expenditure	20,766,750	0	3,438,292	3,438,292	19,494,504	4,710,538
Financial Stabilization	8,512,181	237,630	3,922,613	4,160,243	4,150,339	8,522,085
Pinnacle Ridge Special Tax	0	0	12,635	12,635	0	12,635
	\$59,255,271	\$1,565,648	\$24,728,368	\$26,294,019	\$41,164,535	\$44,384,751

**Long-Term Debt and Debt Servicing
For the Quarter Ended
December 31, 2012**

		<u>Actual</u>
Opening Balance:	September 30, 2012	143,349,721
Less:		
Principal portion of debt payments		-1,351,202
Plus:		
Additional debt taken		1,484,715
Ending Balance:	December 31, 2012	<u>143,483,234</u>
Interest paid on Long-Term Debt		<u>1,076,145</u>
October 1, 2012 - December 31, 2012		<u>1,076,145</u>

Contribution Room

Legal Debt Limit:	December 31, 2011	197,178,843
Ending Balance:	December 31, 2012	143,483,234
Remaining Debt Limit		<u>53,695,609</u>

CITY OF GRANDE PRAIRIE
TRAVEL EXPENSE REIMBURSEMENT TO COUNCIL
AS AT DECEMBER 31, 2012

COUNCIL MEMBER	TOTAL PAYMENT
GIVEN, BILL	15,620.18
CROKEN, JOHN	13,567.90
GUSTAFSON, ALEX	2,242.62
MCLEAN, KEVIN	8,837.50
MUNROE, JUSTIN	2,472.55
O'TOOLE, KEVIN	10,747.62
RADBOURNE, LORNE	3,237.07
RICE, HELEN	2,302.13
WONG, DAN	8,691.86
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	<u>67,719.43</u>

NB

This schedule includes travel, subsistence, accommodation and registration fees paid either to, or on behalf of, each councillor.