

ADMINISTRATIVE REPORT

TO: Greg Scerbak
City Manager

DATE: March 29, 2016

FROM: Reginald Hammond, CPA,CGA
Assistant Finance Manager

SUBJECT: Unaudited Financial Statement – December 31, 2015

1. RECOMMENDATION

Committee receive for information the unaudited financial statements and schedules for the year ended December 31, 2015.

Committee recommend Council approve the transfer of surplus 100th Anniversary Funding in the amount of \$175,000 to a trust account to be repurposed in 2016 as per Corporate Services Committee direction given February 2, 2016.

Committee recommend Council approve the transfer of the remaining 2015 operating surplus as follows:

Winter Stabilization Reserve:	\$ 1,000,000
Future Expenditure Reserve:	\$ 1,000,000
Financial Stabilization Reserve:	\$ 954,000

2. BACKGROUND

The purpose of this report is to present the financial statements and supplementary schedules for the year ended December 31, 2015. The total 2015 operating surplus is \$3,129,000. As per policy 338, annual operating surpluses are to be transferred to the Financial Stabilization Reserve. Administration is recommending additional transfers to replenish the Winter Stabilization Reserve that was utilized in 2014, as well as additional funding to the Future Expenditure Reserve to allow for flexibility during the 2017 budget review. On March 21, 2016 Council approved \$30,000.00 of the 100th Anniversary Trust account be utilized by the City Parks Department for the installation of 100 Parks Signage.

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
- Council Travel Expense

3. ALTERNATIVES

- Committee receive the unaudited statements for information.
- Committee request further information from Administration.

4. ANALYSIS

1. Legislative Responsibilities

Under the Municipal Government Act, municipality's year end is December 31st of each year.

2. Strategic Implications

This report helps the City identify trends, issues, opportunities and threats to short-term or long-term success

3. Financial Considerations

Operating variances have been reported on Appendix A.

4. Staff Implications

There is no staff implication.

5. Community impact

a. Environment

There is no environmental impact

b. Economic

There is no economic impact

c. Social

There is no social impact

d. Infrastructure

There is no infrastructure impact

e. Governance

There is no governance impact

6. Communication Strategy

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

5. SUMMARY/CONCLUSION

An operating surplus of \$3,129,000 is reported for the year ended December 31, 2015. It is recommended that committee approve the transfer of amounts outlined above to the 100th

Anniversary Trust Account, Winter Stabilization Reserve, and Future Expenditure Reserve
with the remainder transferred to the Financial Stabilization Reserve

CC: Ken Anderson, CA, MBA
Chief Financial Officer

**City of Grande Prairie
 Operating Revenue And Expenditure Summary
 For the Year Ending December 31, 2015**

Description	YTD Actuals	YTD Budget	Variance
City Manager	2,334,618	2,735,979	401,361
Community Growth	11,994,663	12,602,613	607,950
Community Living	21,191,062	22,679,988	1,488,926
Community Safety	48,680,328	46,019,760	(2,660,568)
Corporate Services	10,597,452	11,549,785	952,333
Fiscal Services	(99,398,862)	(97,059,418)	2,339,444
Total Summary of All Programs	<u>(4,600,739)</u>	<u>(1,471,293)</u>	<u>3,129,446</u>
Depreciation Expense	18,673,674		

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

**CITY OF GRANDE PRAIRIE
STATEMENT OF FINANCIAL POSITION
December 31, 2015**

	<u>DEC 31 2015</u>	<u>DEC 31 2014</u>
FINANCIAL ASSETS		
Cash & Temporary Investments	345,617,025	331,724,460
Taxes & Grants in Lieu of Taxes	3,212,980	2,855,984
Trade & Other Receivables	25,561,040	16,618,307
Agreements Receivable	20,742,654	21,824,701
Land Held for Resale	752,300	752,300
Investments	67,656,385	63,656,385
	<u>463,542,383</u>	<u>437,432,136</u>
FINANCIAL LIABILITIES		
Accounts Payable & Accrued Liab	11,038,315	13,646,401
Deferred Revenue	24,498,064	18,335,725
Long-term Debt	133,672,371	141,458,560
	<u>169,208,750</u>	<u>173,448,061</u>
NET FINANCIAL ASSETS	294,333,633	263,984,076
NON FINANCIAL ASSETS		
Inventory for Consumption	744,595	672,160
Prepaid Expenses	273,570	133,370
Tangible Capital Assets	558,697,187	533,041,019
	<u>559,715,353</u>	<u>533,846,548</u>
NET ASSETS	854,048,986	797,830,624
MUNICIPAL EQUITY		
ACCUMULATED SURPLUS	854,048,986	797,830,624

The City of Grande Prairie
 Financial Statement Highlights
 31-Dec-15

**Appendix A
 (In Thousands)**

City Manager		401
	Council general savings mainly due to reduced travels and other costs.	237
	City Manager mainly salary savings	31
	Internship Program savings due to vacancies	46
	Human Resources salary savings due to vacancies	64
	Health and Safety savings mainly due to reduced programming	23
Community Growth		607
	Communications and Citizen Engagement surplus due to revenue generated from Community Connections publication	21
	Economic development savings mainly due to vacancies	54
	Corporate Web Management general cost savings	45
	Environmental Stewardship shortfall due to Environmental Management System (EMS) project.	(22)
	Geographical Information Systems salary savings	79
	Transit savings mainly due to vacancies	52
	Planning and Development savings mainly due to vacancies and increased permit revenue	275
	Revolution Place savings mainly due to vacancies and increased event revenue.	103
Community Living		1,488
	Community Living Director's general cost savings	23
	Community Recreation and Sports salary and utility cost savings	80
	Montrose Cultural Center savings in security, utility expenses and increased rental and event revenue	80
	Heritage Resources- Increased cost due to additional building operations and maintenance expenses, decreased sponsorship revenue and higher utility expenses	(52)
	Parks Admin (and Parks General)- mainly salary savings and decreased utility costs	175
	South Bear Creek - Increased revenue resulting from the addition of fall baseball and camping	40
	The Leisure Center savings due to closure	151
	Dave Barr savings mainly due to vacancies, program restructuring and increased concession revenue.	330
	Coca Cola Center salary savings, decreased utility costs and other general cost savings	92
	Eastlink savings due to decreased utility costs, increased operational efficiencies and salary savings.	226
	Muskoseepi Park Admin (110) and Special Events (35) surpluses due to salary savings, decreased utility costs and lower cost of materials.	145
	CSD Building maintenance cost savings	68

	FCSS Home Support Services - mainly salary savings due to vacancies	153	
Community Safety			(2,660)
	RCMP shortfall mainly due to increased overtime	(373)	
	Crime Prevention savings mainly due to salary savings from vacancies and unpaid absence	165	
	Fire Department surplus due to general costs savings and revenue from motor vehicle collision	412	
	Community Safety Director's savings mainly due to utility cost savings and general costs savings	50	
	Enforcement Svc revenue shortfall due to delayed installation of photo enforcement equipment	(1,290)	
	Engineering services savings mainly due to vacancies	680	
	Transportation common services shortfall due to increased fleet charges	(788)	
	Snow removal savings due to favourable weather conditions	38	
	Asphalt roads savings due to the purchase of less materials and smaller jobs	182	
	Street Lighting shortfalls mainly due to increased electricity costs	(450)	
	Traffic signals and traffic signs shortfall due to added personnel assigned to signal projects	(30)	
	Safety Codes shortfall due to delays in the construction project of the Grande Prairie Regional hospital	(1,256)	
Corporate Services			952
	Legislative services increased cost resulting from the 2015 census	(17)	
	Accounting Services- Mainly salary savings	65	
	Common Services shortfall mainly due to increased legal fees and insurance premiums.	(160)	
	Information Technology Services savings due to reduced software support requirements	263	
	Assessment savings mainly due to vacancies	177	
	Facilities Department mainly salary savings and increased operational efficiencies.	618	
	General savings in all Departments	6	
Fiscal Services			2,339
	Increased Concession and franchise revenue, increased return on investments and penalty revenue		
	Return on Investments	1,233	
	Penalties	1,025	
	Franchise Revenue		
	Water	36	
	Sewer	10	
	Solid Waste	116	
	Electricity	(68)	
	Natural Gas	(13)	

3,129

**CITY OF GRANDE PRAIRIE
OPERATING RESERVES
December 31, 2015**

	BALANCE DEC 31/14	TRANSFER TO RESTRICTED FUND	OTHER ADDITIONS	SUB TOTAL ADDITIONS	REDUCTIONS	BALANCE December 31, 2015
Fleet Management System	9,796,172	84,765	6,270,531	6,355,296	2,963,048	13,188,420
Winter Stabilization	1,429,380	12,957	0	12,957	0	1,442,337
Cemetery Perpetual Care	2,066,383	18,731	209,345	228,076	800	2,293,659
Public Housing Commission	279,962	2,538	172,622	175,160	0	455,122
Fire Dept Equipment Replacemen	1,055,617	9,569	232,999	242,569	491,318	806,867
RCMP Detachment Reserve	290,727	2,635	0	2,635	0	293,362
Facility Renewal Reserve	7,248,381	65,705	5,518,618	5,584,323	12,030,769	801,935
Public Reserve	182,360	1,653	869,547	871,200	0	1,053,560
Transportation System Levy	9,628,324	87,279	4,196,616	4,283,895	5,055,117	8,857,102
Future Expenditure	5,754,331	51,482	6,791,788	6,843,270	1,639,515	10,958,086
Financial Stabilization	6,914,794	62,681	118,946	181,627	0	7,096,421
Pinnacle Ridge Special Tax	466	3	0	3	469	0
	\$44,646,897	\$399,998	\$24,381,012	\$24,781,011	\$22,181,036	\$47,246,871

**Long-Term Debt and Debt Servicing
For the Quarter Ended
December 31, 2015**

		<u>Actual</u>
Opening Balance:	September 30, 2015	135,227,893
Less:		
Principal portion of debt payments		-1,555,522
Plus:		
Additional debt taken		0
Ending Balance:	December 31, 2015	<u>133,672,371</u>
Interest paid on Long-Term Debt		<u>1,078,504</u>
October 1, 2015 - December 31, 2015		<u>1,078,504</u>

Contribution Room

Legal Debt Limit:	December 31, 2014	238,536,402
Ending Balance:	December 31, 2015	133,672,371
Remaining Debt Limit		<u>104,864,031</u>

**CITY OF GRANDE PRAIRIE
TRAVEL EXPENSE REIMBURSEMENT TO COUNCIL
AS AT DECEMBER 31,2015**

Council Members	Mandatory and City Business Expenditures	Discretionary Expenditure	Total
GIVEN, BILL	10,454.06	5,117.74	15,571.80
CLAYTON, JACKIE	3,103.23	6,556.65	9,659.88
LOGAN, DWIGHT	0.00	160.00	160.00
MCLEAN, KEVIN	9,829.04	1,491.75	11,320.79
O'TOOLE, KEVIN	4,058.07	10,524.35	14,582.42
RADBOURNE, LORNE	795.50	4,054.97	4,850.47
RICE, HELEN	1,117.38	661.75	1,779.13
THIESSEN, CHRIS	7,191.18	5,698.42	12,889.60
TARANT, RORY	4,936.51	4,661.15	9,597.66
	<u>41,484.97</u>	<u>38,926.78</u>	<u>80,411.75</u>

Notes:

Mandatory and City Business Expenditures include:

- AUMA 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, accomodations and per diems.

