

ADMINISTRATIVE REPORT

TO: Greg Scerbak, City Manager	DATE: November 8, 2016
FROM: Reginald Hammond, CPA, CGA Assistant Finance Manager	MEETING: Corporate Services Committee
SUBJECT: Unaudited Financial Statement- September 30, 2016	

RECOMMENDATIONS

That the Corporate Services Committee receive for information the unaudited financial statements and schedules for the nine month period ended September 30, 2016.

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 nine month period ended September 30, 2016.

ANALYSIS

Analysis of this information are attached to this report.

Relationship to City Council's Strategic Priorities

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.

Economic Impact

There are no relevant economic impacts.

Social Impact

There are no relevant social impacts.

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)

The Corporate Services Committee may:

1. Receive the unaudited financial statements for information
2. Request further information from Administration

STAKEHOLDER ENGAGEMENT

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

BUDGET / FINANCIAL IMPLICATIONS

Operating variances have been reported on Appendix A.

It is anticipated that all other revenues and expenditures will be essentially as per the operating budget.

SUMMARY / CONCLUSION

An operating surplus of \$2,222,000 is forecasted for the year ended December 31, 2016. 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. - Statement of Financial Position
- Attachment 3. - Operating Reserves
- Attachment 4. - Long Term Debt and Debt Servicing
- Attachment 5. - Council Travel Expense

**City of Grande Prairie
 Operating Revenue And Expenditure Summary
 For the Period Ending September 30, 2016**

Description	YTD Actuals	YTD Budget	Variance	Annual Forecasted Variance
City Manager	1,728,097	2,129,453	401,356	314
Community Growth	8,488,771	8,384,651	(104,120)	(205)
Community Living	15,919,767	16,603,008	683,241	474
Community Safety	36,584,254	37,560,812	976,558	865
Corporate Services	7,654,469	8,062,382	407,913	143
Fiscal Services	107,752,407	108,731,161	978,754	631
Total Summary of All Programs	<u>178,127,765</u>	<u>181,471,467</u>	<u>3,343,702</u>	<u>2,222</u>
 Depreciation Expense	 14,005,256			 18,673,674

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

The City of Grande Prairie
 Financial Statement Highlights
 30-Sep-16

**Appendix A
 (In Thousands)**

City Manager		314
	Council general savings mainly due to reduced travel and discretionary spending	200
	City Manager shortfall mainly due to recruitment cost	(5)
	Internship Program savings due to vacancies	47
	Human Resources salary savings due to vacancies	60
	Health and Safety savings mainly due to program restructuring	12
Community Growth		(205)
	Community Growth savings mainly from consulting services	5
	Communications and Citizen Engagement surplus due to revenue generated from Community Connections publication and vacancies	50
	Economic Development shortfall due to Council's request to engage a consultant for the preparation of a report on council's strategic plan.	(30)
	Geographic Information Systems (GIS) savings mainly due to vacancies	40
	Transit shortfall due to increased use of the Low Income Transit Access (LITA) program and decline in public transit ridership as a result of the weak economy.	(30)
	Planning and Development shortfall due to lower permit revenue	(40)
	Revolution Place shortfall mainly due to low revenue from less profitable shows as budgeted and Council's approval to forgive the Grande Prairie Storm hockey club of amounts owing to the city.	(200)
Community Living		474
	Heritage Resources- Increased cost due to additional building operations and maintenance expenses.	(150)
	Montrose Cultural Centre surplus mainly due to vacancies and revenue from custodial staff providing services for the Teresa Sargent Hall.	160
	Peace Library- savings due to grant allocation being lower than anticipated.	50
	Recreation and Sports Development surplus mainly due to general cost savings	34
	Parks Admin (and Parks General) -Savings mainly due decreased utility (water) cost	50
	The Leisure Center savings due to closure	114
	South Bear Creek surplus due to increased revenue from extended season of Fall Ball.	50
	Bear Creek Pool savings from decreased utility costs	22
	Coca Cola Center salary savings, decreased utility costs and other general cost savings	39
	Muskoseepi Park Pavilion surplus due to general cost savings	39
	FCSS Home Support Services - mainly salary savings due to vacancies	66
Community Safety		865
	Crime Prevention - mainly salary savings due to vacancies	25

	Transportation savings mainly due to savings from the street cleaning program (\$100) and savings in the asphalt roads program (\$65)	165	
	Safety Codes savings mainly due to vacancies	280	
	Engineering services savings mainly due to vacancies	395	
Corporate Services			143
	Legislative services surplus due to increased Assessment Review Board(ARB) fees for hearings on assessment	40	
	Common Services shortfall due to increased legal matters	(170)	
	Service Centre savings due to decreased utility costs and general cost savings	100	
	Facilities Department mainly salary savings and increased operational efficiencies.	173	
Fiscal Services			631
	Municipal Government Board Appeal decisions (\$425) offset by accrual amount (\$211)	(214)	
	Contingency savings mainly from labour contract negotiations	1,100	
	Revenue shortfall as a result of lower franchise fees and interest revenue	(325)	
	Savings from delay in debenture borrowing	70	
			2,222

CITY OF GRANDE PRAIRIE
STATEMENT OF FINANCIAL POSITION
September 30, 2016

	<u>September 30</u> <u>2016</u>	<u>DEC 31</u> <u>2015</u>
FINANCIAL ASSETS		
Cash & Temporary Investments	400,492,665	345,617,025
Taxes & Grants in Lieu of Taxes	20,403,281	3,212,980
Trade & Other Receivables	10,025,861	25,561,040
Agreements Receivable	20,742,654	20,742,654
Land Held for Resale	752,300	752,300
Investments	67,656,385	67,656,385
	<u>520,073,145</u>	<u>463,542,383</u>
FINANCIAL LIABILITIES		
Accounts Payable & Accrued Liab	8,550,510	11,038,315
Deferred Revenue	38,845,542	24,498,064
Long-term Debt	128,075,401	133,672,371
	<u>175,471,453</u>	<u>169,208,750</u>
NET FINANCIAL ASSETS	344,601,692	294,333,633
NON FINANCIAL ASSETS		
Inventory for Consumption	714,564	744,595
Prepaid Expenses	460,308	273,570
Tangible Capital Assets	602,912,227	558,697,187
	<u>604,087,099</u>	<u>559,715,353</u>
NET ASSETS	948,688,791	854,048,986
MUNICIPAL EQUITY		
ACCUMULATED SURPLUS	948,688,791	854,048,986

**CITY OF GRANDE PRAIRIE
OPERATING RESERVES
September 30, 2016**

	BALANCE DEC 31/15	TRANSFER TO RESTRICTED FUND	OTHER ADDITIONS	SUB TOTAL ADDITIONS	REDUCTIONS	BALANCE Sept. 30, 2016
Fleet Management System	13,188,420	81,876	5,229	87,105	18,712	13,256,813
Winter Stabilization	1,442,337	9,569	1,000,000	1,009,569	43	2,451,863
Cemetery Perpetual Care	2,293,660	15,149	36,307	51,456	0	2,345,116
Public Housing Commission	455,122	2,761	245	3,006	0	458,128
Fire Dept Equipment Replacement	806,867	5,740	197,249	202,990	312,911	696,945
RCMP Detachment Reserve	293,362	1,946	0	1,946	9	295,299
Facility Renewal Reserve	801,935	15,070	5,430,444	5,445,514	6,194,506	52,943
Public Reserve	1,053,560	5,688	1,582,847	1,588,535	200,200	2,441,894
Transportation System Levy	8,857,102	60,045	1,675,618	1,735,663	5,456,168	5,136,597
Future Expenditure	10,958,086	62,146	1,024,624	1,086,770	2,986,521	9,058,335
Financial Stabilization	7,096,421	46,901	2,955,905	3,002,806	1,685,256	8,413,971
	\$47,246,872	\$306,891	\$13,908,468	\$14,215,359	\$16,854,326	\$44,607,904

**Long-Term Debt and Debt Servicing
For the Quarter Ended
September 30, 2016**

		<u>Actual</u>
Opening Balance:	June 30, 2016	130,455,528
Less:		
Principal portion of debt payments		-2,380,127
Plus:		
Additional debt taken		0
Ending Balance:	September 30, 2016	<u>128,075,401</u>
Interest paid on Long-Term Debt		<u>1,713,150</u>
July 1, 2016 - September 30, 2016		<u>1,713,150</u>

Contribution Room

Legal Debt Limit:	December 31, 2015	252,281,447
Ending Balance:	September 30, 2016	128,075,401
Remaining Debt Limit		<u>124,206,046</u>

**CITY OF GRANDE PRAIRIE
TRAVEL EXPENSE REIMBURSEMENT TO COUNCIL
AS AT September 30, 2016**

Council Members	Mandatory and City Business Expenditures	Discretionary Expenditure	Total
GIVEN, BILL	10,360.79	1,732.95	12,093.74
CLAYTON, JACKIE	4,993.02	895.70	5,888.72
LOGAN, DWIGHT	0.00	63.00	63.00
MCLEAN, KEVIN	3,705.14	4,166.70	7,871.84
O'TOOLE, KEVIN	6,578.28	1,570.41	8,148.69
RADBOURNE, LORNE	1,371.75	2,901.26	4,273.01
RICE, HELEN	1,291.50	5,937.52	7,229.02
THIESSEN, CHRIS	8,695.09	4,060.31	12,755.40
TARANT, RORY	4,605.42	1,049.25	5,654.67
	<u>41,600.99</u>	<u>22,377.10</u>	<u>63,978.09</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.