

ADMINISTRATIVE REPORT

TO: Greg Scerbak
City Manager

DATE: August 18, 2015

FROM: Reginald Hammond, CPA,CGA
Assistant Finance Manager

SUBJECT: Unaudited Financial Statement – June 30, 2015

1. RECOMMENDATION

It is recommended that Committee receive for information the unaudited financial statements and schedules for the six month period ended June 30, 2015.

2. BACKGROUND

The purpose of this report is to present the financial statements and supplementary schedules for the six month period ended June 30, 2015.

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

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

4. Staff Implications

There are no staff implications.

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

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

5. SUMMARY/CONCLUSION

An operating surplus of \$653,000 is projected for the year ended December 31, 2015. This projected surplus does not include the depreciation expense.

CC: Ken Anderson, CA, MBA
Chief Financial Officer

**City of Grande Prairie
 Operating Revenue And Expenditure Summary
 For The Six Months Ending June 30, 2015**

Description	YTD Actuals	YTD Budget	Variance	Annual Forecasted Variance
City Manager	669,312	878,662	209,350	20,000
Community Growth	5,616,968	6,335,634	718,666	320,000
Community Living	10,126,792	10,750,000	623,208	330,000
Community Safety	22,819,722	22,450,000	(369,722)	(420,000)
Corporate Services	2,340,968	2,624,423	283,455	300,000
Fiscal Services	(115,870,265)	(115,750,000)	120,265	103,000
Total Summary of All Programs	<u>(74,296,503)</u>	<u>(72,711,281)</u>	<u>1,585,222</u>	<u>653,000</u>
Depreciation Expense	8,767,711			17,535,422

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

The City of Grande Prairie

Financial Statement Highlights

Appendix A (In Thousands)

City Manager		20
Human Resources salary savings due to unpaid absence	20	
Community Growth		320
Environmental Stewardship savings in public relations due to decreased programming for the year	30	
Planning and Development- mainly due to salary savings from vacancies	130	
Transit- Salary savings due to vacancies	100	
Crystal Center- Mainly due to Salary savings from vacancies within the department.	60	
Community Living		330
Custodial Services - Mainly due to salary savings from vacancies	35	
Montrose Cultural Center- Savings in security and utility expenses	50	
Heritage Resources- Increased cost due to additional building operations and maintenance expenses, decreased sponsorship and higher utility expenses.	(160)	
Outdoor Recreational Facilities-Mainly due to electricity cost savings	40	
Sanitation and Festive Lights- Increased salary costs due to early start of spring cleanup	(50)	
The Leisure Center and the Bear Creek Pool - Mainly due to salary and utility cost savings	110	
Dave Barr Arena- Mainly due to salary savings from vacancies	100	
Coca Cola Center- Electricity cost savings	100	
Eastlink- Electricity cost savings	40	
FCSS Facilities- Utilities and natural gas cost savings	15	
FCSS Home Support savings mainly as a result of decreased salary expense due to vacancies and the decline in home support clients	30	
FCSS Administration savings Mainly due to vacancies	20	
Community Safety		(420)
RCMP - Salary savings due to vacancies	220	
Enforcement Services -revenue shortfall due to delayed installation of photo enforcement equipment	(700)	
Community Safety - Mainly due to utility cost savings.	20	
Engineering Services- Mainly due to salary savings from vacancies	290	
Street Lighting - Mainly due to higher electricity costs	(250)	

Corporate Services		300
Accounting Services- Mainly due to salary savings	20	
Assessment- Mainly increased tax search revenue and salary savings	100	
Facilities Department savings due to lower maintenance requirements	140	
Service Center- Mainly due to utility cost savings	40	
Fiscal Services		103
Increased Concession and franchise revenue (ATCO Gas \$57,000 and ATCO Electric \$46,000)	103	
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CITY OF GRANDE PRAIRIE
STATEMENT OF FINANCIAL POSITION
June 30, 2015
(THOUSANDS)

	<u>June 30</u> <u>2015</u>	<u>DEC 31</u> <u>2014</u>
FINANCIAL ASSETS		
Cash & Temporary Investments	393,928,135	331,724,460
Taxes & Grants in Lieu of Taxes	36,771,817	2,855,984
Trade & Other Receivables	5,252,818	16,618,307
Agreements Receivable	21,729,582	21,824,701
Land Held for Resale	752,300	752,300
Investments	63,656,385	56,322,506
	<u>522,091,037</u>	<u>430,098,258</u>
FINANCIAL LIABILITIES		
Accounts Payable & Accrued Liab	11,962,806	13,646,401
Deferred Revenue	16,469,642	18,335,725
Long-term Debt	137,503,930	141,458,560
	<u>165,947,282</u>	<u>173,448,061</u>
NET FINANCIAL ASSETS	356,143,755	256,650,197
NON FINANCIAL ASSETS		
Inventory for Consumption	697,328	672,160
Prepaid Expenses	708,304	133,370
Tangible Capital Assets	542,455,108	533,041,019
	<u>543,860,740</u>	<u>533,846,548</u>
NET ASSETS	900,004,495	790,496,745
MUNICIPAL EQUITY		
ACCUMULATED SURPLUS	900,004,495	790,496,745

**CITY OF GRANDE PRAIRIE
OPERATING RESERVES
June 30, 2015**

	BALANCE DEC 31/14	TRANSFER TO RESTRICTED FUND	OTHER ADDITIONS	SUB TOTAL ADDITIONS	REDUCTIONS	BALANCE June 30, 2015
Fleet Management System	9,796,172	42,382	0	42,382	1,405,447	8,433,107
Winter Stabilization	1,429,380	6,479	0	6,479	0	1,435,859
Cemetery Perpetual Care	2,066,383	9,366	10,000	19,365	0	2,085,749
Public Housing Commission	279,962	1,269	0	1,269	0	281,231
Fire Dept Equipment Replacemen	1,055,617	4,784	116,500	121,285	0	1,176,901
RCMP Detachment Reserve	290,727	1,317	0	1,317	0	292,044
Facility Renewal Reserve	7,248,381	32,853	1,585,000	1,617,852	3,170,000	5,696,233
Public Reserve	182,360	826	0	826	0	183,186
Transportation System Levy	9,628,324	43,639	3,286,134	3,329,774	0	12,958,098
Future Expenditure	5,754,331	25,741	101,863	127,604	1,095,310	4,786,625
Financial Stabilization	6,914,794	31,341	0	31,341	0	6,946,135
Pinnacle Ridge Special Tax	467	2	0	2	0	469
	\$44,646,898	\$199,999	\$5,099,497	\$5,299,496	\$5,670,757	\$44,275,637

**Long-Term Debt and Debt Servicing
For the Quarter Ended
June 30, 2015**

		<u>Actual</u>
Opening Balance:	March 31, 2015	139,375,202
Less:		
Principal portion of debt payments		-1,871,272
Plus:		
Additional debt taken		0
Ending Balance:	June 30, 2015	<u><u>137,503,930</u></u>
Interest paid on Long-Term Debt		<u><u>1,273,448</u></u>
April 1, 2015 - June 30, 2015		

Contribution Room

Legal Debt Limit:	December 31, 2014	223,851,789
Ending Balance:	June 30, 2015	137,503,930
Remaining Debt Limit		<u><u>86,347,859</u></u>