

## ADMINISTRATIVE REPORT

<b>TO:</b> Greg Scerbak, City Manager	<b>DATE:</b> November 8, 2016
<b>FROM:</b> Reginald Hammond, CPA, CGA Assistant Finance Manager	<b>MEETING:</b> Corporate Services Committee
<b>SUBJECT:</b> 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**

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

<b>City Manager</b>		<b>314</b>
	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
<b>Community Growth</b>		<b>(205)</b>
	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)
<b>Community Living</b>		<b>474</b>
	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
<b>Community Safety</b>		<b>865</b>
	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	
<b>Corporate Services</b>			<b>143</b>
	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	
<b>Fiscal Services</b>			<b>631</b>
	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	
			<b>2,222</b>

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

	<u>September 30 2016</u>	<u>DEC 31 2015</u>
<b>FINANCIAL ASSETS</b>		
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>
<b>FINANCIAL LIABILITIES</b>		
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>
<b>NET FINANCIAL ASSETS</b>	<b>344,601,692</b>	<b>294,333,633</b>
<b>NON FINANCIAL ASSETS</b>		
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>
<b>NET ASSETS</b>	<b>948,688,791</b>	<b>854,048,986</b>
<b>MUNICIPAL EQUITY</b>		
<b>ACCUMULATED SURPLUS</b>	<b>948,688,791</b>	<b>854,048,986</b>

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

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

		<u><b>Actual</b></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><u>128,075,401</u></u>
Interest paid on Long-Term Debt		<u><u>1,713,150</u></u>
July 1, 2016 - September 30, 2016		

**Contribution Room**

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



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

<b>Council Members</b>	<b>Mandatory and City Business Expenditures</b>	<b>Discretionary Expenditure</b>	<b>Total</b>
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.