

ADMINISTRATIVE REPORT

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| TO: Greg Scerbak, City Manager | DATE: August 16, 2016 |
| FROM: Reginald Hammond, CPA, CGA Assistant Finance Manager | MEETING: Corporate Services Committee |
| SUBJECT: Unaudited Financial Statement- June 30, 2016 | |
| | |

RECOMMENDATIONS

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

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

There are no previous Council or Committee directions.

BACKGROUND

The purpose of this report is to present the financial statements and supplementary schedules for the six month period ended June 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 \$1,180,000 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 June 30, 2016**

| Description | YTD Actuals | YTD Budget | Variance | Annual Forecasted Variance |
|--------------------------------------|------------------------|-----------------------|------------------|---|
| City Manager | 1,051,195 | 1,375,347 | 324,152 | 220 |
| Community Growth | 6,036,428 | 5,807,513 | (228,915) | 35 |
| Community Living | 10,030,784 | 10,985,122 | 954,338 | 319 |
| Community Safety | 23,732,673 | 24,442,696 | 710,023 | 481 |
| Corporate Services | 5,086,478 | 4,992,431 | (94,047) | (5) |
| Fiscal Services | 112,298,065 | 112,825,767 | 527,702 | 130 |
| Total Summary of All Programs | <u>158,235,623</u> | <u>160,428,876</u> | <u>2,193,253</u> | <u>1,180</u> |
| Depreciation Expense | 9,336,837 | | | 18,673,674 |

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

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

**Appendix A
 (In Thousands)**

| | | |
|---------------------------|---|------------|
| City Manager | | 220 |
| | Council general savings mainly due to reduced travel and discretionary spending | 120 |
| | City Manager shortfall mainly due to recruitment cost | (22) |
| | Internship Program savings due to vacancies | 45 |
| | Human Resources salary savings due to vacancies | 65 |
| | Health and Safety savings mainly due to program restructuring | 12 |
| Community Growth | | 35 |
| | Communications and Citizen Engagement surplus due to revenue generated from Community Connections publication and vacancies | 70 |
| | Planning and Development shortfall due to lower permit revenue | (50) |
| | Revolution Place savings mainly due to vacancies | 15 |
| Community Living | | 319 |
| | Montrose Cultural Center savings mainly due to vacancies and utility costs | 132 |
| | Heritage Resources- Increased cost due to additional building operations and maintenance expenses and decreased sponsorship revenue | (80) |
| | Peace Library- savings due grant allocation being lower than anticipated. | 50 |
| | The Leisure Center savings due to closure | 35 |
| | Dave Barr savings mainly due to vacancies and increased concession revenue. | 25 |
| | Coca Cola Center salary savings, decreased utility costs and other general cost savings | 60 |
| | Muskoseepi Park Pavillion surplus due to general cost savings | 53 |
| | CSD Building maintenance cost savings | 35 |
| | FCSS Home Support Services - mainly salary savings due to vacancies | 9 |
| Community Safety | | 481 |
| | RCMP surplus mainly due to staff vacancies | 100 |
| | Fire Department surplus due to general costs savings and revenue from motor vehicle collision | 137 |
| | Engineering services savings mainly due to vacancies | 244 |
| Corporate Services | | (5) |
| | Accounting Services- mainly salary savings | 10 |
| | Legislative services surplus due to increased Assessment Review Board(ARB) application fees | 30 |
| | Common Services shortfall due to increased insurance claims and legal matters | (200) |
| | Assessment - salary savings | 35 |
| | Facilities Department mainly salary savings and increased operational efficiencies. | 120 |
| Fiscal Services | | 130 |
| | Increased : | |
| | Return on Investments | 100 |
| | Penalties | 30 |

1,180

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

| | <u>June 30 2016</u> | <u>DEC 31 2015</u> |
|---------------------------------|-------------------------|------------------------|
| FINANCIAL ASSETS | | |
| Cash & Temporary Investments | 410,708,549 | 345,617,025 |
| Taxes & Grants in Lieu of Taxes | 39,244,839 | 3,212,980 |
| Trade & Other Receivables | 8,916,600 | 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>548,021,327</u> | <u>463,542,383</u> |
| FINANCIAL LIABILITIES | | |
| Accounts Payable & Accrued Liab | 5,310,878 | 11,038,315 |
| Deferred Revenue | 23,498,624 | 24,498,064 |
| Long-term Debt | 129,668,105 | 133,672,371 |
| | <u>158,484,971</u> | <u>169,208,750</u> |
| NET FINANCIAL ASSETS | 389,536,356 | 294,333,633 |
| NON FINANCIAL ASSETS | | |
| Inventory for Consumption | 694,970 | 744,595 |
| Prepaid Expenses | 841,670 | 273,570 |
| Tangible Capital Assets | 572,512,148 | 558,697,187 |
| | <u>574,048,788</u> | <u>559,715,353</u> |
| NET ASSETS | 963,585,144 | 854,048,986 |
| MUNICIPAL EQUITY | | |
| ACCUMULATED SURPLUS | 963,585,144 | 854,048,986 |

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

| | BALANCE DEC 31/15 | TRANSFER TO RESTRICTED FUND | OTHER ADDITIONS | SUB TOTAL ADDITIONS | REDUCTIONS | BALANCE June 30, 2016 |
|--|----------------------|-----------------------------------|--------------------|------------------------|---------------------|--------------------------|
| Fleet Management System | 13,188,420 | 52,841 | 5,229 | 58,070 | 18,712 | 13,227,778 |
| Winter Stabilization | 1,442,337 | 6,393 | 1,000,000 | 1,006,393 | 43 | 2,448,687 |
| Cemetery Perpetual Care | 2,293,660 | 9,855 | 19,302 | 29,156 | 0 | 2,322,817 |
| Public Housing Commission | 455,122 | 1,759 | 245 | 2,004 | 0 | 457,126 |
| Fire Dept Equipment Replacement | 806,867 | 3,963 | 131,499 | 135,463 | 312,911 | 629,418 |
| RCMP Detachment Reserve | 293,362 | 1,300 | 0 | 1,300 | 9 | 294,653 |
| Facility Renewal Reserve | 801,935 | 13,305 | 3,570,444 | 3,583,749 | 4,334,508 | 51,176 |
| Public Reserve | 1,053,560 | 3,368 | 1,582,847 | 1,586,215 | 200,200 | 2,439,575 |
| Transportation System Levy | 8,857,102 | 40,546 | 1,543,141 | 1,583,686 | 5,141,168 | 5,299,620 |
| Future Expenditure | 10,958,086 | 39,189 | 1,024,624 | 1,063,813 | 2,986,521 | 9,035,378 |
| Financial Stabilization | 7,096,421 | 31,278 | 954,000 | 985,278 | 1,460,256 | 6,621,443 |
| Pinnacle Ridge Special Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$47,246,872 | \$203,797 | \$9,831,331 | \$10,035,128 | \$14,454,328 | \$42,827,671 |

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

| | | <u>Actual</u> |
|------------------------------------|----------------|---------------------------|
| Opening Balance: | March 31, 2016 | 131,495,543 |
| Less: | | |
| Principal portion of debt payments | | -1,827,438 |
| Plus: | | |
| Additional debt taken | | 0 |
| Ending Balance: | June 30, 2016 | <u><u>129,668,105</u></u> |
| Interest paid on Long-Term Debt | | <u>1,191,306</u> |
| April 1, 2016 - June 30, 2016 | | <u><u>1,191,306</u></u> |

Contribution Room

| | | |
|----------------------|-------------------|---------------------------|
| Legal Debt Limit: | December 31, 2015 | 252,281,447 |
| Ending Balance: | June 30, 2016 | 129,668,105 |
| Remaining Debt Limit | | <u><u>122,613,342</u></u> |

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

| Council Members | Mandatory and City Business Expenditures | Discretionary Expenditure | Total |
|------------------------|---|--------------------------------------|------------------|
| GIVEN, BILL | 8,962.23 | 1,302.95 | 10,265.18 |
| CLAYTON, JACKIE | 3,519.61 | 795.70 | 4,315.31 |
| LOGAN, DWIGHT | 0.00 | 63.00 | 63.00 |
| MCLEAN, KEVIN | 3,705.14 | 2,323.50 | 6,028.64 |
| O'TOOLE, KEVIN | 5,323.26 | 945.41 | 6,268.67 |
| RADBOURNE, LORNE | 600.00 | 2,691.26 | 3,291.26 |
| RICE, HELEN | 519.75 | 5,937.52 | 6,457.27 |
| THIESSEN, CHRIS | 7,730.33 | 3,465.31 | 11,195.64 |
| TARANT, RORY | 4,293.30 | 749.25 | 5,042.55 |
| | <u>34,653.62</u> | <u>18,273.90</u> | <u>52,927.52</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, accommodations and per diems.