

**Subject: 2019 Q1 Financial Performance Report****APPROVALS:****Annette Antoniak**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT the First Quarter 2019 Financial Performance Update be accepted as information.

**Summary:**

The first quarter financial results are showing a small annual projected surplus of \$1.1 million which is the result of a decrease in operating revenue of \$1.2 million and a decrease in operating expenses of \$2.3 million.

**Background:**

The Quarterly Financial Report provides a more comprehensive quarterly financial update that includes municipal operating revenues and expenses with comparatives to budget and projections, capital project spending, information regarding investment and debt, as well as information regarding grants that the Municipality has applied for and or received during the quarter. The investment section has been updated to include information regarding the bank balance, reserve position and the amount of funds that are uncommitted.

Operating revenues to March 31, 2019 are \$188.2 million. On an annual basis the revenue projection is \$753.4 million which reflects a decrease of \$1.2 million to the annual revenue. The budget included a user fee increase starting in April the projection is reflecting the new implementation date of June 1. In addition, the commercial water and sewer volumes are lower than anticipated.

Operating expenses to March 31, 2019 are \$98.8 million. On an annual basis the expense projection is \$415.9 million which reflects a decrease of \$2.3 million to the annual expenses. The main driver was the receipt of payment on an outstanding Accounts Receivable account enabling a reduction in the allowance for doubtful accounts.

The approved 2019 Capital Budget is \$256.7 million; in the first quarter the capital

budget has been amended to \$258.9 million an increase of \$2.28 million. As of March 2019, \$19.3 million has been spent on the continued delivery of capital projects. Most of this spend is related to ongoing projects.

The cash position at the end of March is \$1,189.7 billion. This amount is comprised of \$169.5 million in the bank and \$1,020.2 billion in investments. Of this amount, \$810.8 million is committed to budgeted services/programs, capital projects and funds for financial stability. The uncommitted balance equals \$378.9 million.

The Municipality has a total debt commitment of \$420.4 million. Of this amount, \$264.0 million has been drawn and the remaining \$156.4 million is committed undrawn debt. In the first quarter, Council approved a debt repayment plan that used the uncommitted bank balance to pay the committed drawn debt in the second quarter of 2019. The \$156.4 million of committed undrawn debt will be replaced with other funding by 2021.

The Municipality received approval for \$6.7 million in capital grants and \$4.5 million in operating grants in 2019. Continuous research into grant opportunities is ongoing.

The Municipality has spent \$244.2 million in recoverable wildfire costs since May 2016. To date the Province has advanced \$198.7 million for reimbursable expenses; Red Cross has advanced \$5.0 million and our insurance provider has paid \$29.6 million.

### **Strategic Priorities:**

Responsible Government

### **Attachments:**

#### **1. 2019 Q1 Financial Performance Report**