

Subject: 2019 Q2 Financial Performance Report**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

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

Summary:

The second quarter financial results are showing an annual projected surplus of \$1.7 million which is the result of a decrease in operating revenue of \$1.9 million and a decrease in operating expenses of \$3.6 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 includes information regarding the bank balance, reserve position and the amount of funds that are uncommitted.

Operating revenues to June 30, 2019 are \$380.2 million. On an annual basis, the revenue projection is \$752.7 million which reflects a decrease of \$1.9 million to the annual revenue. The budget included a user fee increase starting April; the projection is reflecting the new implementation of November 1. In addition, the commercial water and sewer volumes continue to be lower than anticipated.

Operating expenses to June 30, 2019 are \$217.8 million. On an annual basis, the expense projection is \$414.6 million which reflects a decrease of \$3.6 million to the annual expenses. The main drivers for this decrease were lower Salary Wages and Benefits mainly as a result of vacancies, and the reversal of the Trade Receivable allowance as the outstanding accounts in question have been paid.

The approved 2019 Capital Budget is \$256.7m; in the second quarter, through the use of capital budget amendments has been amended to \$267.8 million an increase of

\$10.5 million. As of June 2019, \$56.5 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 June is \$1.28 billion. This amount is comprised of \$411.9 million in the bank and \$864.7 million in investments. Of this amount, \$910.0 million is committed to budgeted services/programs, capital projects and funds for financial stability. The uncommitted balance equals \$366.6 million.

The Municipality has a total debt commitment of \$96.4 million. Of this amount, there is no drawn debt owing and the \$96.4 million is committed undrawn debt. In the second 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 \$96.4 million of committed undrawn debt will be replaced with other funds by 2021.

The Municipality received approval for \$7.0 million in capital grants and \$5.3 million in operating grants in 2019. Continuous research into grant opportunities is ongoing.

The Municipality has spent \$248.3 million in recoverable wildfire costs since May 2016. To date, the Province has advanced \$199.3 million for reimbursable expenses; Red Cross has advanced \$9.0 million and our insurance providers has paid \$29.6 million.

Strategic Priorities:

Responsible Government

Attachments:

2019 Q2 Financial Performance Report