

**Subject: Q2 2020 Financial Performance Report****APPROVALS:****Jamie Doyle**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT the Second Quarter 2020 Financial Performance Update be accepted as information.

**Summary:**

The first quarter financial results are showing an annual projected surplus of \$9.7 million which is the result of an increase in operating revenue of \$12.4 million and an increase in operating expenses of \$2.7 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 and information regarding investment, as well as information regarding grants that the Municipality has applied for and or received during the quarter.

Operating revenues to June 30, 2020 are \$309.2 million. On an annual basis, the revenue projection is \$593.6 million which reflects an increase of \$12.4 million to the annual revenues. Higher investment income is the main reason for the projected increase in revenues.

Operating expenses to June 30, 2020 are \$211.6 million. On an annual basis, the expense projection is \$433.9 million which reflects a projection increase of \$2.7 million. There has been decreases in some of the operating expenses such as lower fuel prices, less road materials due to a milder winter and no community events due to COVID - 19. These decreases are offset by a higher allowance being put in place for property tax accounts.

The approved 2020 Capital Budget is \$154.1 million; by the second quarter, the capital budget was amended to \$146.1 million, a decrease of \$8.0 million. As of June 30, 2020, \$38.0 million has been spent on the continued delivery of capital projects. Two projects

Rural Water/Sewer Servicing and the Snow Disposal Site construction make up 42% of this spend.

The cash position at the end of June is \$1.15 billion. This amount is comprised of \$305.3 million in the bank and \$842.4 million in investments. Of this amount, \$984.8 million is committed to budgeted services/programs, capital projects and funds for financial stability. The uncommitted balance equals \$162.9 million.

As of June 30, 2020, there is no drawn debt owing and no committed undrawn debt.

The Municipality received approval for \$35.8 million in capital grants and \$3.3 million in operating grants in 2020. Included in this amount is \$6.4 million in funding for the Federal Gas Tax fund and \$25.8 million for the Municipal Sustainability Initiative (MSI). Continuous research into grant opportunities is ongoing.

The Municipality has spent \$259.4 million in recoverable wildfire costs since May 2016. To date, the Province has advanced \$216.3 million for reimbursable expenses; Red Cross has advanced \$9.0 million and our insurance provider has paid \$29.6 million.

The Municipality has spent \$8.3 million in recoverable flooding costs during the quarter. To date, the Province has advanced \$20.0 million for reimbursable expenses.

In addition, the municipality has spent approximately \$1.2 million on COVID - 19 related expenses.

In summary, the Municipality continues to look for cost efficiencies while providing the services and programs to the residents.

### **Strategic Priorities:**

Responsible Government

### **Attachments:**

**2020 Q2 Financial Performance Report**