

Subject: 2021 Q2 Financial Performance Report**APPROVALS:****Jamie Doyle**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the 2021 Q2 Financial Performance Report be accepted as information.

Summary:

As of June 30, 2021, the Municipality is projecting an \$11.4 million surplus at year end. Revenues are projected to be higher than budget, offset by a slight decrease in budgeted expenses.

Background:

The Quarterly Financial Performance Report provides a 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.

Year-to-date (YTD) operating revenues to June 30, 2021, are \$291.2 million as compared to a budget of \$287.1 million. On an annual basis, revenues are projected to be \$577.1 million, an increase of \$9.2 million over budget.

In the second quarter, revenues are higher as the Municipality received: grant funds from the Province to be applied towards COVID-19 response expenses and lost revenues; \$1.1 million from a new CPH grant; and, \$0.3 million in other grants. Additionally, sales and user fees are \$4.1 million higher than the budget due to continued higher than anticipated usage of water, sewer, and solid waste services during the first six (6) months of the year.

Operating expenses to June 30, 2021, are \$203.2 million with a YTD budget of \$218.8 million. On an annual basis, the expense projection is \$422.1 million.

For the second quarter, the results are showing a downward difference of \$15.7 million which is tied to the timing of actual spend versus budget allocation.

The Municipality approved the 2021 capital budget of \$156.0 million. As of June 30, 2021, the capital budget has been decreased to \$155.7 million stemming from a \$0.3 million decrease in 2021 capital budget amendments. As of June 30, 2021, \$60.3 million has been spent on the delivery of capital projects. Three (3) projects make up 39 per cent of the capital spend: Flood Mitigation; Rural Water/Sewer Servicing; and, Jubilee Centre Renovation.

The cash position at the end of June 2021 is \$1.2 billion which is comprised of a \$224.2 million bank balance and \$1 billion in investments. Majority of the investments are committed to budgeted services and programs, capital projects, and funds for financial stability. The uncommitted balance equals \$239.9 million.

Within the second quarter, \$31.6 million in Municipal Sustainability Initiative (MSI) funds were received. As grant opportunities arise, applications are submitted. This year, capital grant applications totaling \$83.2 million have been submitted for consideration with both the Federal and Provincial governments.

As of June 30, 2021, COVID-19 pandemic expenses total approximately \$4.0 million, with lost revenues totaling nearly \$15.4 million. Lost revenues consist of tax revenue of \$10.0 million, transit revenue of \$1.9 million, and sales and user fees (does not include transit) of \$3.5 million.

The Municipality has spent \$29.2 million in recoverable River Breakup costs since April 2020. To date, the Province has advanced \$20.0 million for reimbursable expenses under the Disaster Recovery Program and our insurance provider has advanced \$0.5 million.

Since May 2016, \$268.1 million has been spent in recoverable Horse River Wildfire costs. To date, the Province has advanced \$209.3 million for reimbursable expenses; Red Cross has advanced \$9.0 million; FireSmart has advanced \$7.0 million; and, our insurance provider has paid \$29.6 million. The insurance provider has closed the file as all claims are now complete.

The Municipality continues to look for cost efficiencies while providing the services and programs outlined in the 2021 operating budget to the residents. The Municipality is positively positioned for financial sustainability while meeting the expectations of its residents.

Strategic Priorities:

Responsible Government

Attachments:

2021 Q2 Financial Performance Report