

Subject: 2019 Q3 Financial Performance Report**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

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

Summary:

The third quarter financial results are showing an annual projected surplus of \$12.2 million which is the result of an increase in operating revenue of \$2.9 million and a decrease in operating expenses of \$9.3 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.

Operating revenues to September 30, 2019 are \$579.0 million. On an annual basis the revenue projection is \$757.6 million which reflects an increase of \$2.9 million to the annual revenue. Revenue from the RCMP Guardroom Operations (\$1.2 million) were not budgeted in 2019; in addition, cost recoveries from insurance and reimbursements received from Wabasca Fire response.

Operating expenses to September 30, 2019 are \$307.3 million. On an annual basis the expense projection is \$408 million which reflects a decrease of \$9.3 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 \$257.3 million; in the third quarter the capital budget has been amended to \$268.0 million an increase of \$10.7 million. As of September 2019, \$120 million has been spent on the continued delivery of capital

projects. The Rural Water and Sewer Servicing constructions, Transit Facility and Fort Chipewyan Lift Stations Upgrades make up 34% of the total Capital Spend.

The cash position at the end of September is \$1.2 billion. This amount is comprised of \$428.6 million in the bank and \$814.3 million in investments. Of this amount, \$812.9 million is committed to budgeted services/programs, capital projects and funds for financial stability. The uncommitted balance equals \$234.1 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 \$35.1 million in capital grants and \$5.3 million in operating grants in 2019. Included in this amount is \$12 million funding for the Federal Gas Tax fund and \$15.4 million for the Municipal Sustainability Initiative (MSI). Continuous research into grant opportunities is ongoing.

The Municipality has spent \$251.5 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 provider has paid \$29.6 million.

Strategic Priorities:

Responsible Government

Attachments:

2019 Q3 Financial Performance Report