

Executive Summary

The Director Finance and Human Resources (HR) reports to the CAO and is responsible for the overall management of the finances and human resource issues of the Town of Pincher Creek.

Finance

Internet Banking

Town administration staff have been struggling with residents using the incorrect account numbers when making payments through online banking. When a resident uses the incorrect utility or tax account number, staff must investigate to find the correct number to apply the payment. Staff have been accommodating residents for years through their investigative techniques as the person who owns the property is not necessarily the person making the payment. The Town's financial institution ATB Financial now provides a file for the Town to download into the financial software. In order for this process to work successfully, the tax and utility account numbers must be accurate. Over the years Town staff have been diligently attempting to get residents to correct these numbers. The final solution to correct the remaining accounts was for Town staff to stop investigating to find the account and crediting the amount to a suspense account until the resident sent \$1.00 to the Town proving their account number was corrected. I am very happy to report that this account which was as high as \$15,775 is now at \$600. Although this process created more work for the staff, it produced great results going forward.

Financial Transactions

The Finance Department is responsible for ensuring the accuracy and completeness of all financial transactions. This is accomplished through segregation of duties. All transactions prepared by a staff member are reviewed by another staff member. Any transactions not produced through a sub-ledger such as accounts receivable, accounts payable, utilities, taxes or business licenses are reviewed and approved by the Director of Finance and HR on a daily basis. Transactions produced by the Director of Finance and HR are reviewed and approved by the CAO. On a monthly basis the Director of Finance and HR reviews the GST Returns, bank

reconciliations, cash receipts batches with exceptions, journal entries, etc. The Director of Finance and HR and the CAO review and approve all bank transactions such as cheque batches, automatic withdrawals for payroll, GST, Town utilities etc.

Investments

Investments are held at CIBC Wood Gundy, ATB, and BMO. The Director of Finance and HR is contacted regularly by these institutions when investments mature and when new investment opportunities become available.

Insurance

The Town's insurance program is managed through the Alberta Municipal Services Corporation (AMSC). AMSC hired an external Risk Management Services company which sent staff to the Town to evaluate inherent risk associated with the various Town services and properties.

Tangible Capital Assets (TCA)

Asset management is an ongoing process that needs to be maintained in order to produce timely useful information for administration and council decision making. The work that was completed in the last quarter of 2016 to coordinate the Tangible Capital Asset financial software with the Town's GIS will need to be continued to maintain useful information. This will require the assistance of the Town's engineers who have been contacted this quarter to estimate the cost.

Diamond/GP

Diamond/GP is the Town of Pincher Creek's financial accounting system. We continue to improve on the use of this system by developing processes that will make day to day transactions easier. The Town has been utilizing this financial accounting system since January 2014 and is currently on the 2013 version. The budget for 2017 allows for an upgrade to the newest version 2016 which contains many new features. One of these features is the ability to import from external sources such as the Town of Pincher Creek's new payroll provider's system.

Records Management

Laserfiche

The laserfiche program requires an integration process with the Town's financial software so accounts payable input becomes more efficient. Once the Town's financial software is upgraded to the newest version sometime in the next quarter, an additional module will be required to alleviate the requirement for the accounts payable staff to enter information twice.

Human Resources

Payroll

The biweekly payroll has not been transferred to the new payroll provider. The monthly payroll for Council is running smoothly but there are still some challenges with the more complex staff payroll.

Grievances

No grievances in the first quarter of 2017.

Wendy D. Catonio, CPA, CGA
Director of Finance and Human Resources

TOWN OF PINCHER CREEK
Operating Summary - By Department
For the Three Months Ending Friday, March 31, 2017

	2016 Audited	2017 (Unaudited)	2017 Budget	Variance	% Variance
Revenues					
General Municipal	\$6,456,194.00	\$222,647.30	\$6,562,567.00	\$6,339,919.70	3.39%
Administration	90,338.43	56,662.74	72,924.00	16,261.26	77.70%
Protective and Emergency Services	251,820.39	112,513.40	275,365.00	162,851.60	40.86%
Operations	2,565,358.36	269,867.44	2,090,190.00	1,820,322.56	12.91%
Community Services	946,875.80	128,445.01	1,052,226.89	923,781.88	12.21%
Economic Development			4,000.00	4,000.00	0.00%
Planning and development	158,504.90	50,629.39	99,918.00	49,288.61	50.67%
Total Revenue	10,469,091.88	840,765.28	10,157,190.89	9,316,425.61	8.28%
Expenses					
General Municipal	1,294,197.28	390,449.70	2,625,859.60	2,235,409.90	14.87%
Legislative	221,210.48	24,748.84	226,385.87	201,637.03	10.93%
Administration	865,045.49	120,520.02	775,190.87	654,670.85	15.55%
Protective and Emergency Services	763,126.64	323,541.19	898,129.41	574,588.22	36.02%
Operations	3,933,461.18	559,384.52	3,428,959.46	2,869,574.94	16.31%
Community Services	2,836,425.34	605,387.31	3,294,017.26	2,688,629.95	18.38%
Economic Development	150,199.89	16,953.77	192,370.14	175,416.37	8.81%
Planning and development	253,083.98	57,367.47	317,002.20	259,634.73	18.10%
Total Expenses	10,316,750.28	2,098,352.82	11,757,914.81	9,659,561.99	17.85%
Excess (Deficiency) revenue over expenses before other	152,341.60	(1,257,587.54)	(1,600,723.92)	(343,136.38)	78.56%
Other					
Government transfers for capital	2,668,669.24	11.00	2,535,008.00	2,534,997.00	
Contributed assets			1,888,525.00	1,888,525.00	
Excess (Deficiency) of revenue over expenses	2,821,010.84	(1,257,576.54)	2,822,809.08	4,080,385.62	
Add: Amortization	1,423,492.01		1,253,264.00	1,253,264.00	
Add: Transfers from reserves (Operating & Capital)	1,161,428.00		4,667,669.00	4,667,669.00	
Add: Debenture Funding			4,179,000.00	4,179,000.00	
Less: Transfers to reserves	1,676,792.94	47,622.68	1,417,778.00	1,370,155.32	
Less: Long term debt repayments	157,045.49	6,696.58	102,792.00	96,095.42	
Less: Capital expenses	3,572,080.49	68,599.38	11,401,702.00	11,333,102.62	
Balanced Budget	11.93	(1,380,495.18)	470.08	1,380,965.26	

TOWN OF PINCHER CREEK
Operating Statement - By Type
For the Three Months Ending Friday, March 31, 2017

	2016 Audited	2017 (Unaudited)	2017 Budget	Variance	% Variance
Revenues					
Net municipal property taxes (Note 1)	\$4,162,745.73	(\$375,862.86)	\$4,281,377.40	\$4,657,240.26	(8.78%)
User fees and sales of goods	1,938,348.08	307,161.43	1,809,792.50	1,592,631.07	16.17%
Penalties and costs of taxes	78,882.95	28,961.91	78,358.00	49,396.09	36.96%
Licences and permits	147,552.71	52,536.00	95,600.00	43,064.00	54.95%
Franchise fees	697,362.57	197,033.85	650,050.00	453,016.15	30.31%
Return on Investments	324,073.27	2,765.02	340,860.00	338,094.98	0.81%
Rentals & Leases	575,794.11	162,940.68	602,989.00	440,048.32	27.02%
Government transfers for operating	1,202,549.78	35,393.00	946,626.39	911,233.39	3.74%
Other Revenues & Adjustments (Note 2)	97,225.18	53,973.39	5,200.00	(48,773.39)	1037.95%
Gain on disposal of tangible capital assets	6,375.00				0.00%
Total Revenue	9,230,909.38	464,902.42	8,900,853.29	8,435,950.87	5.22%
Expenses					
Salaries, wages & benefits	3,323,936.31	428,882.84	3,546,578.77	3,117,695.93	12.09%
Contracted and general services	359,369.51	78,529.09	463,670.28	385,141.19	16.94%
Professional Services	725,621.94	177,641.11	734,338.92	556,697.81	24.19%
R & M and rentals & leases	1,340,422.03	114,810.55	1,068,916.24	954,105.69	10.74%
Insurance	128,937.19	128,443.75	135,738.00	7,294.25	94.63%
Goods	354,946.40	108,031.55	510,517.00	402,485.45	21.16%
Utilities	604,973.14	167,863.59	603,700.00	435,836.41	27.81%
Amortization	1,423,492.01		1,253,264.00	1,253,264.00	0.00%
Transfers to Organizations	638,993.33	517,068.59	2,045,060.00	1,527,991.41	25.28%
Bank Charges	3,507.03	805.67	3,400.00	2,594.33	23.70%
Interest on long-term debt	118,494.11	(1,350.18)	112,744.00	114,094.18	(1.20%)
Other Expenditure & Adjustment	55,874.78	1,763.40	23,650.00	21,886.60	7.46%
Total Expenses	9,078,567.78	1,722,489.96	10,501,577.21	8,779,087.25	16.40%
Excess (Deficiency) revenue over expenses before other	152,341.60	(1,257,587.54)	(1,600,723.92)	(343,136.38)	78.56%
Other					
Government transfers for capital	2,668,669.24	11.00	2,535,008.00	2,534,997.00	
Contributed assets			1,888,525.00	1,888,525.00	
	2,668,669.24	11.00	4,423,533.00	4,423,522.00	
Excess (Deficiency) revenue over expenses	2,821,010.84	(1,257,576.54)	2,822,809.08	4,080,385.62	
Add: Internal transfers from reserves	1,161,428.00		4,667,669.00	4,667,669.00	
Add: Amortization	1,423,492.01		1,253,264.00	1,253,264.00	
Add: Debenture Funding			4,179,000.00	4,179,000.00	
Less: Internal transfer to reserves	1,676,792.94	47,622.68	1,417,778.00	1,370,155.32	
Less: Long-term debt repayments	157,045.49	6,696.58	102,792.00	96,095.42	
Less: Capital expenses	3,572,080.49	68,599.38	11,401,702.00	11,333,102.62	
Balanced budget	11.93	(1,380,495.18)	470.08	1,380,965.26	

Note 1: Negative amount due to 1st Quarter School Requisition and Crestview Requisition being paid and no property taxes levied yet

2. Funds recieved from dissolution of P.C. Emergency Management Agency not budgeted for \$47,622.68. This amount transferred to reserves for future funding of new Emergency Management.