

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.

Statement of Operations – January to June 2019

The first half of 2019 has been extremely busy for Town administration. Attached are two Operating Statements – one by object or function and the second one is by department.

Highlights

Revenue

User fees and sales of goods are currently at approximately 46% even though operations are half way through the year. This is due to the following:

- Water consumption is lower due to a wet spring
- The majority of campground and sports field revenue is recorded in the summer
- On the positive side, pool revenue for sales of goods, lessons, programs and leadership courses are between 70% and 82% half way through the year

Franchise fees are at almost 56% due to increased consumption of power and especially natural gas with the cold winter in early 2019.

Return on investments are only at 15% due to the majority of transactions being recorded at year end.

Rentals and leases are only at 46% - a reconciliation for the RCMP detachment occurs at year end.

Other revenues and adjustments is at 113% which includes donations not budgeted such as the residual amount from the Spray Park Society when they concluded operations.

Expenses

Salaries and benefits are only at 45% due to some unfilled positions throughout the year and the change in benefit providers. However, the WCB rate was higher than anticipated for 2019 so this expense is already at 57% and will be higher than budget by the end of 2019. Fees and per diems for council are at 68% due to a very active council and additional meetings not anticipated when the budget was passed.

Professional services are only 1/3 spent due to timing of expenses such as the Intermunicipal Collaboration Costs and the CARES Grant.

Repairs and maintenance are also 1/3 spent due to timing of expenses which usually occur in the summer months such as asphalt and sidewalk repairs.

Utility costs are at almost 55%. This includes Town utilities as well as Power and Natural Gas. Seasonal Town accounts are only recorded once per year and this has not occurred yet. Power is 51% expended even though consumption is lower by almost 2%. The cost of power as compared to the same period in 2018 is up by 5% and the cost of delivery is up by 8.7%. Natural Gas consumption as compared to the same period in 2018 is higher by 28%! This is due to the cold winter in 2019 and a cooler spring. The price of natural gas for 2019 is higher by 17%. As of June 30, 2019 the Town has already expended 75% of the annual budget for natural gas.

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



TOWN OF PINCHER CREEK

Operating Summary - By Department

For the Six Months Ending Sunday, June 30, 2019

	2018 <u>Actual Audited</u>	2019 <u>Actual Unaudited</u>	2019 <u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Revenues					
General Municipal	\$6,816,620.20	\$6,420,259.87	\$7,004,562.00	\$584,302.13	91.66%
Administration	96,381.04	66,695.79	204,525.00	137,829.21	32.61%
Protective and Emergency Services	302,460.88	138,649.67	309,771.80	171,122.13	44.76%
Operations	2,095,392.85	878,639.64	2,248,801.00	1,370,161.36	39.07%
Community Services	1,122,504.11	633,012.52	1,051,682.10	418,669.58	60.19%
Economic Development			92,043.00	92,043.00	0.00%
Planning and development	1,155,389.54	112,748.56	159,162.72	46,414.16	70.84%
Total Revenue	<u>11,588,748.62</u>	<u>8,250,006.05</u>	<u>11,070,547.62</u>	<u>2,820,541.57</u>	<u>74.52%</u>
Expenses					
General Municipal	1,379,917.16	1,603,235.31	1,623,068.00	19,832.69	98.78%
Legislative	261,852.75	170,682.62	266,727.18	96,044.56	63.99%
Administration	839,872.91	430,996.58	930,205.92	499,209.34	46.33%
Protective and Emergency Services	930,767.07	308,147.89	806,637.41	498,489.52	38.20%
Operations	4,188,223.05	1,352,674.94	3,858,077.09	2,505,402.15	35.06%
Community Services	3,409,099.24	1,666,962.80	3,587,633.80	1,920,671.00	46.46%
Economic Development	149,383.19	69,209.04	367,041.39	297,832.35	18.86%
Planning and development	280,189.67	167,398.42	401,161.64	233,763.22	41.73%
Total Expenses	<u>11,439,305.04</u>	<u>5,769,307.60</u>	<u>11,840,552.43</u>	<u>6,071,244.83</u>	<u>48.72%</u>
Excess (Deficiency) revenue over expenses before other	<u>149,443.58</u>	<u>2,480,698.45</u>	<u>(770,004.81)</u>	<u>(3,250,703.26)</u>	
Other					
Government transfers for capital	705,275.50		5,031,615.00	5,031,615.00	0.00%
Contributed assets	25,856.60		1,780,000.00	1,780,000.00	0.00%
Excess (Deficiency) of revenue over expenses	<u>880,575.68</u>	<u>2,480,698.45</u>	<u>6,041,610.19</u>	<u>3,560,911.74</u>	<u>41.06%</u>
Add: Amortization	1,479,384.70		1,250,706.00	1,250,706.00	0.00%
Add: Transfers from reserves (Operating & Capital)	3,515,309.42		3,759,889.69	3,759,889.69	0.00%
Add: Debenture Funding			4,593,000.00	4,593,000.00	0.00%
Add: Loss on sale of capital assets	32,389.56				0.00%
Less: Transfers to reserves	2,329,451.86		1,218,789.91	1,218,789.91	0.00%
Less: Long term debt repayments	107,847.02	55,896.33	113,150.60	57,254.27	49.40%
Less: Capital expenses	3,441,225.71	1,477,716.42	14,313,000.00	12,835,283.58	10.32%
Balanced Budget (Note 1)	<u>29,134.77</u>	<u>947,085.70</u>	<u>265.37</u>	<u>(946,820.33)</u>	

Note 1: 2018 - 28,981.86 surplus related to PCCELC
 152.89 Surplus related to Town operations
 Reconciliation:
 Net Surplus: 29,134.77
 Less: PCCELC Consolidation 23,527.86
 Less: Amort PCCELC 5,454.00
 (Amort added back above)
 Net Surplus Town 152.91



TOWN OF PINCHER CREEK

Operating Statement - By Object

For the Six Months Ending Sunday, June 30, 2019

	2018 Actual Audited	2019 Actual Unaudited	2019 Budget	Variance	% Variance
Revenues					
Net municipal property taxes	\$4,973,856.05	\$4,392,342.36	\$4,392,334.92	(\$7.44)	100.00%
User fees and sales of goods	2,169,052.49	934,452.14	2,036,555.50	1,102,103.36	45.88%
Penalties and costs of taxes	102,346.72	52,158.01	89,600.00	37,441.99	58.21%
Licences and permits	100,226.78	60,640.93	93,600.00	32,959.07	64.79%
Franchise fees	770,869.86	420,264.99	751,550.00	331,285.01	55.92%
Return on Investments	317,885.01	42,051.86	270,860.00	228,808.14	15.53%
Rentals & Leases	592,308.32	281,339.30	607,016.77	325,677.47	46.35%
Government transfers for operating	894,262.53	414,311.81	1,182,153.00	767,841.19	35.05%
Other Revenues & Adjustments	95,484.40	47,067.78	41,500.00	(5,567.78)	113.42%
Gain on disposal of tangible capital assets	15,338.08				0.00%
Total Revenue	10,031,630.24	6,644,629.18	9,465,170.19	2,820,541.01	70.20%
Expenses					
Salaries, wages & benefits	3,739,396.02	1,785,113.68	3,932,564.18	2,147,450.50	45.39%
Contracted and general services	366,533.56	208,654.47	409,457.92	200,803.45	50.96%
Professional Services	1,014,656.20	468,971.59	1,405,808.92	936,837.33	33.36%
R & M and rentals & leases	1,121,298.62	365,145.97	1,126,959.98	761,814.01	32.40%
Insurance	132,260.10	133,718.27	144,949.98	11,231.71	92.25%
Goods	485,480.21	279,692.03	541,050.00	261,357.97	51.69%
Utilities	692,156.67	373,986.72	683,149.99	309,163.27	54.74%
Land Held For Resale - Costs	16,521.35				0.00%
Amortization	1,479,384.70		1,250,706.00	1,250,706.00	0.00%
Transfers to Organizations	662,065.21	483,613.00	613,053.36	129,440.36	78.89%
Loss Disposal Capital Assets	32,389.56				0.00%
Bank Charges	5,635.65	2,794.17	6,440.01	3,645.84	43.39%
Interest on long-term debt	107,306.19	44,432.98	102,384.66	57,951.68	43.40%
Other Expenditure & Adjustment	27,102.62	17,807.85	18,650.00	842.15	95.48%
Total Expenses	9,882,186.66	4,163,930.73	10,235,175.00	6,071,244.27	40.68%
Excess (Deficiency) revenue over expenses before other	149,443.58	2,480,698.45	(770,004.81)	(3,250,703.26)	
Other					
Government transfers for capital	705,275.50		5,031,615.00	5,031,615.00	0.00%
Contributed assets	25,856.60		1,780,000.00	1,780,000.00	0.00%
	731,132.10		6,811,615.00	6,811,615.00	0.00%
Excess (Deficiency) revenue over expenses	880,575.68	2,480,698.45	6,041,610.19	3,560,911.74	41.06%
Add: Internal transfers from reserves	3,515,309.42		3,759,889.69	3,759,889.69	0.00%
Add: Amortization	1,479,384.70		1,250,706.00	1,250,706.00	0.00%
Add: Debenture Funding			4,593,000.00	4,593,000.00	0.00%
Add: Loss on capital assets	32,389.56				0.00%
Less: Internal transfer to reserves	2,329,451.86		1,218,789.91	1,218,789.91	0.00%
Less: Long-term debt repayments	107,847.02	55,896.33	113,150.60	57,254.27	49.40%
Less: Capital expenses	3,441,225.71	1,477,716.42	14,313,000.00	12,835,283.58	10.32%
Balanced budget (Note 1)	29,134.77	947,085.70	265.37	(946,820.33)	

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