

Strathcona County Second Quarter 2022 Management Report

Prepared by Financial and Strategic Services

Prepared for
Council Meeting
September 27, 2022

Year-to-Date Operating Variance

Year-to-Date Operating Surplus / (Deficit) for Tax Purposes

The Strathcona County (the County) second quarter 2022 operating surplus for tax purposes is composed of the individual results of the Municipal, Utility and Library operating segments. Please note: Pioneer Housing Foundation is not included in the financial information presented in this report. To be consistent with the budget, the annual operating surplus for tax purposes includes reserve transactions and debt repayments; and excludes amortization expense and gains or losses on disposals or write downs of tangible capital assets, that are excluded and included (respectively) from Public Sector Accounting Standards (PSAS) that are used to prepare the financial statements.

Analysis of the Year-to-Date Operating Surplus / (Deficit) for Tax Purposes

For detailed variance analysis information for the Municipal, Utility, Library and consolidated operations are attached in Appendix 1. The significant favourable and unfavourable variances noted below are not intended to total to the surplus amounts for each line of operations. Generally, a materiality of \$1.0 million is applied for variance analysis. Other variances may also be included if they are deemed to be of note.

Municipal Operations – \$86.1 Million Surplus – Contributing Factors

Municipal Operations	Q2 Budget	Q2 Actual	Favourable / (Unfavourable) Variance
Total Revenue	\$264.0M	\$260.5M	(\$3.5M)
Total Expenses	(\$179.5M)	(\$162.2M)	\$17.3M
Total Non-Operating and Non-Cash Items	\$1.3M	(\$12.2M)	(\$13.5M)
Surplus / (Deficit)	\$85.8M	\$86.1M	\$0.3M

Municipal operations' overall revenue variance was (1%) unfavourable. Budgeted total revenue was \$264.0 million and actual revenue was \$260.5 million, inclusive of contributed assets. Municipal operations' expense variance was 10% favourable. Total budgeted expenses were \$179.5 million and actual expenses were \$162.2 million, including amortization, gains and losses.

Non-Operating and Non-Cash Items include transfers to and from reserves, repayment of loans and debt, and equity transactions. These items generally align with the activity within revenue and expenses. Although significant, much of the existing variance is due to timing and is expected to resolve through the second half of the year.

The significant favourable and unfavourable variances are noted below:

Revenue (Municipal Operations)

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Revenue				
Property Taxes	232,628,043	230,057,273	(2,570,770)	-1%
Government Grants	3,111,702	2,476,956	(634,746)	-20%
User Fees & Charges	18,963,403	15,869,557	(3,093,846)	-16%
Penalties and Fines	3,031,967	2,447,961	(584,006)	-19%
Investment Income	2,240,325	2,557,010	316,685	14%
Other Revenues	3,977,888	3,740,094	(237,794)	-6%
Subtotal	263,953,328	257,148,851	(6,804,477)	-3%
Contributed Assets	-	3,381,119	3,381,119	-
Total Revenue	263,953,328	260,529,970	(3,423,358)	-1%

- Municipal property taxes — (\$2.6 million) unfavourable variance due to lower than anticipated actual commercial growth in 2021, driven by start-up delays primarily in the heavy industrial sector. Supplementary taxes are expected to partially offset this variance later this year.
- User fees and charges — (\$3.1 million) unfavourable variance continues to be primarily driven by the decrease that County has experienced in admissions, programs and memberships resulting from COVID-19 restrictions in place throughout the earlier part of the year, coupled with the public's varying acceptance of a full re-opening of services. This variance is expected to continue throughout the year as the County continues to adjust to changes in demand.
- Penalties and fines — (\$0.6 million) unfavourable variance driven by a decrease in Traffic Safety Act fines due to a reduction in traffic and increased driver education. There was also a reduction in Intersection Safety Device (ISD) revenue due to reduced ISD operations, however, this was largely offset by savings in directly related contracted services costs.
- Contributed assets — \$3.4 million favourable variance due to the fact that the County does not budget for contributed assets, which is a common practice. Contributed assets to date include roadway system engineered structures and pathways and trails.

Expense (Municipal Operations)

Expense	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Salaries & Wages	72,556,457	69,963,470	2,592,987	4%
Employee Benefits	15,413,961	14,818,083	595,878	4%
Training & Development	1,194,714	823,510	371,204	31%
Business Expenses	587,903	294,859	293,044	50%
Advertising & Printing	1,024,329	632,772	391,557	38%
Professional Services	3,709,657	1,112,724	2,596,933	70%
Insurance	1,194,894	1,199,911	(5,017)	0%
Rentals & Leases	1,596,900	1,483,963	112,937	7%
Contracted Services	28,311,882	24,008,646	4,303,236	15%
Supplies & Materials	9,475,301	10,574,366	(1,099,065)	-12%
Repairs & Maintenance	2,317,047	2,216,598	100,449	4%
Equipment Purchases	956,361	637,448	318,913	33%
Utilities	4,638,869	4,418,085	220,784	5%
Telecommunications	540,838	441,607	99,231	18%
Interest on Debt	1,390,919	1,285,049	105,870	8%
Grants & Requisitions	6,134,205	3,165,263	2,968,942	48%
Other Expenses	1,914,156	1,232,336	681,820	36%
Interprogram	(668,130)	(2,255,819)	1,587,689	-238%
Gain/Loss on Asset Disposal	-	(73,414)	73,414	-
Amortization Expense	27,194,970	26,238,093	956,877	4%
Total Expense	179,485,233	162,217,550	17,267,683	10%

- Salaries, wages and employee benefits — \$2.6 million favourable variance primarily due to savings from vacancies, staffing turnover and some timing differences that should resolve by year end. There have been some reduced staffing requirements due to the decrease in revenue from admissions, programs and memberships, as noted above.
- Professional services — \$2.6 million favourable variance mainly due to timing differences and delayed work.
- Contracted services — \$4.3 million favourable:
 - A significant portion of this variance is attributable to timing differences that should resolve by year end. Some of the variance is due to reduced contracting costs in recreation and culture programming, consistent with the decreased demand, noted above.
 - These favourable variances were offset by an unfavourable variance of \$2.7 million due to additional snow clearing costs caused by adverse weather conditions earlier in the year.
- Supplies and materials — (\$1.1 million) unfavourable variance:
 - Timing difference of (\$0.7 million) unfavourable related project work which are expected to be resolved in the fourth quarter.

- Remaining variance largely attributable to the rise in fuel prices. The County has experienced a 43% increase in gas costs and a 32% increase in diesel costs from budget.
- Grants and requisitions — \$3.0 million favourable variance is mainly due to a timing difference for the County’s contributions towards the River Valley Alliance.
- Interprogram — \$1.6 million favourable variance is a timing difference that is offset by an unfavourable variance in Utility Operations.

Utility Operations – \$4.4 Million Surplus – Contributing Factors

Utility Operations	Q2 Budget	Q2 Actual	Favourable / (Unfavourable) Variance
Total Revenue	\$30.4M	\$40.2M	\$9.8M
Total Expenses	(\$28.3M)	(\$28.9M)	(\$0.6M)
Total Non-Operating and Non-Cash Items	\$2.7M	(\$6.9M)	(\$9.6M)
Surplus / (Deficit)	\$4.8M	\$4.4M	(\$0.4M)

Utility operations' overall revenue variance was 32% favourable which includes contributed assets. Budgeted total revenue was \$30.4 million and actual revenue was \$40.2 million. Utility operations' expense variance was (2%) unfavourable. Total budgeted expenses were \$28.3 million and actual expenses were \$28.9 million, including amortization, gains and losses. This has resulted in a \$4.4 million surplus.

Note: Utilities operations are self-sustaining.

The significant favourable and unfavourable variances are noted below.

Revenue (Utility Operations)

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$ (Unfavourable) %	Favourable (Unfavourable) %
Revenue				
Property Taxes	14,570	5,117	(9,453)	-65%
Government Grants	3,504	11,853	8,349	238%
Utility User Rates	29,223,451	30,758,064	1,534,613	5%
User Fees & Charges	551,378	424,930	(126,448)	-23%
Investment Income	653,383	731,008	77,625	12%
Other Revenues	3,000	5,300	2,300	77%
Subtotal	30,449,286	31,936,272	1,486,986	5%
Contributed Assets	-	8,270,290	8,270,290	-
Total Revenue	30,449,286	40,206,562	9,757,276	32%

- Utility user rates — \$1.5 million favourable variance largely due to higher consumption than anticipated during the winter months. Continued work from home practices increase volumes for residential customers.
- Contributed assets — \$8.3 million favourable variance due to the fact that the County does not budget for contributed assets. Contributed assets to date include water, wastewater, and stormwater infrastructure.

Expense (Utility Operations)

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$ (Unfavourable) %	Favourable (Unfavourable) %
Expense				
Salaries & Wages	4,714,846	4,345,744	369,102	8%
Employee Benefits	1,018,165	961,043	57,122	6%
Training & Development	108,338	62,247	46,091	43%
Business Expenses	18,877	6,333	12,544	66%
Advertising & Printing	258,388	205,732	52,656	20%
Professional Services	316,641	59,167	257,474	81%
Rentals & Leases	193,329	119,544	73,785	38%
Contracted Services	4,366,976	3,010,663	1,356,313	31%
Supplies & Materials	10,272,624	11,899,613	(1,626,989)	-16%
Repairs & Maintenance	677,688	1,001,360	(323,672)	-48%
Equipment Purchases	90,540	59,436	31,104	34%
Utilities	723,481	869,714	(146,233)	-20%
Utilities - Recovery Internal	(730,426)	(676,250)	(54,176)	7%
Telecommunications	76,782	87,760	(10,978)	-14%
Interest on Debt	1,017,867	1,016,466	1,401	0%
Other Expenses	49,608	499	49,109	99%
Interprogram	317,594	1,833,656	(1,516,062)	-477%
Gain/Loss on Asset Disposal	-	-	-	-
Amortization Expense	4,861,920	4,090,281	771,639	16%
Total Expense	28,353,238	28,953,008	(599,770)	-2%

- Contracted services — \$1.4 million favourable variance is primarily driven by a timing difference and is expected to be resolved by year-end.
- Supplies and materials — (\$1.6 million) unfavourable variance primarily due to higher water and wastewater purchases, which is consistent with the higher utility user rates noted above. As more water is used by customers, more water must be purchased and treated.
- Interprogram — (\$1.5 million) unfavourable variance is a timing difference that is offset by a favourable variance in Municipal Operations. Enviro services and recycling stations are tax supported services, and the recoveries for costs related to these services from Municipal have not yet been reflected in the report.

Additional Information — Service Lateral Rehabilitation

The demand for service lateral rehabilitations has significantly increased over the past few years, as have average costs per rehabilitation. On June 14, an additional \$0.6 million was added to the budget funded from reserves to address additional requests for 2022. As of June 30, 2022, there were 15 Service Lateral Rehabilitations completed, for a total cost of \$0.4 million. An additional 12 rehabilitations have been committed, for a total of 27.

Library Operations – \$5.5 Million Surplus – Contributing Factors

Library Operations	Q2 Budget	Q2 Actual	Favourable / (Unfavourable) Variance
Total Revenue	\$10.7M	\$11.0M	\$0.3M
Total Expenses	(\$5.2M)	(\$5.4M)	(\$0.2M)
Total Non-Operating and Non-Cash Items	(\$0.1M)	(\$0.1M)	\$0.0M
Surplus / (Deficit)	\$5.4M	\$5.5M	\$0.1M

Library operations' overall revenue variance was 2% favourable. Budgeted total revenue was \$10.7 million and actual revenue was \$11.0 million. Library operations' expense variance was (3%) unfavourable. Total budgeted expenses were \$5.2 million and actual expenses were \$5.4 million, including amortization expense. This has resulted in a \$5.5 million surplus.

There are no significant items to note for Library Operations in the second quarter of the year.

Revenue (Library Operations)

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Revenue				
Property Taxes	10,052,503	9,939,860	(112,643)	-1%
Government Grants	530,563	530,563	-	0%
Utility User Rates	-	-	-	-
User Fees & Charges	12,156	13,346	1,190	10%
Penalties and Fines	5,502	6,826	1,324	24%
Investment Income	44,563	21,780	(22,783)	-51%
Other Revenues	75,858	453,488	377,630	498%
Total Revenue	10,721,145	10,965,863	244,718	2%

Expense (Library Operations)

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Expense				
Salaries & Wages	2,634,969	2,551,636	83,333	3%
Employee Benefits	627,915	653,132	(25,217)	-4%
Training & Development	19,498	14,499	4,999	26%
Business Expenses	8,319	1,335	6,984	84%
Advertising & Printing	19,750	5,005	14,745	75%
Professional Services	8,370	7,754	616	7%
Rentals & Leases	5,198	4,778	420	8%
Contracted Services	35,448	18,919	16,529	47%
Supplies & Materials	384,768	360,525	24,243	6%
Repairs & Maintenance	37,615	25,643	11,972	32%
Equipment Purchases	14,214	5,914	8,300	58%
Telecommunications	8,724	7,926	798	9%
Interest on Debt	374,747	374,749	(2)	0%
Grants & Requisitions	-	56,635	(56,635)	-
Other Expenses	2,200	263,024	(260,824)	-11856%
Interprogram	403,246	406,159	(2,913)	-1%
Amortization Expense	592,356	599,468	(7,112)	-1%
Total Expense	5,177,337	5,357,101	(179,764)	-3%

Consolidated Year-to-Date Operating Surplus / (Deficit) for Tax Purposes

The Strathcona County (the County) second quarter 2022 operating surplus for tax purposes is \$96.0 million. Please note: Pioneer Housing Foundation is not included in the 2022 financial information presented in this report.

Consolidated	Q2 Budget	Q2 Actual	Favourable / (Unfavourable) Variance
Total Revenue	\$305.1M	\$311.7M	\$6.6M
Total Expenses	(\$213.0M)	(\$196.5M)	\$16.5M
Total Non-Operating and Non-Cash Items	\$3.9M	(\$19.2M)	(\$23.1M)
Surplus / (Deficit)	\$96.0M	\$96.0M	\$0.0M

The Year-to-Date Operating Surplus for Tax Purposes evaluates the results using the same methodology used to prepare the Operating Budget. The Public Sector Accounting Standards (PSAS) used to prepare the financial statements applies a different method.

Capital Spend

Actual spend up to the end of the second quarter is \$34.0 million (June 30, 2021 — \$14.5 million). The actual spend is 27% of the \$124.9 million planned spend for all of 2022 (June 30, 2021 — 8% of the \$121.1 million planned spend). The remaining \$90.9 million is planned to be spent in the third and fourth quarters. The three-year average spend as at June 30 is 15%.

Capital spend is correlated with construction activity which generally has a seasonal peak during the summer months (June to September). As such, additional information will be provided in the Third Quarter 2022 Management Report.

Asset Category	Planned Annual Spend 2022	Actual Spend to Q2 2022	Remaining Spend 2022
Buildings	\$44.0M	\$15.8M	\$28.2M
Electronic Hardware / Software	\$4.5M	\$0.9M	\$3.6M
Machinery & Equipment	\$1.5M	\$1.7M	(\$0.2M)
Parks & Open Space Development	\$21.7M	\$0.3M	\$21.4M
Roadway Infrastructure	\$22.5M	\$9.7M	\$12.8M
Utilities Infrastructure	\$25.6M	\$3.5M	\$22.1M
Vehicles	\$2.1M	\$1.4M	\$0.7M
Land	\$3.0M	\$0.7M	\$2.3M
Total	\$124.9M	\$34.0M	\$90.9M

Some of the capital projects that are significantly contributing (over \$5 million) to these variances are:

- The Multi-Purpose Agriculture Facility (the Pointe Aux Pin) – outdoor amenities and servicing
- North of Yellowhead – Stage 1 Transportation Improvements 2021, Water and Wastewater
- Class II Improvements – Range Road 210, Township Road 550 to Highway 15

Long-Term Debt

Long-term debt is only incurred to finance capital expenditures. The long-term debt outstanding at June 30, 2022 totals \$138.7 million (December 31, 2021 — \$140.8 million), representing a decrease of (\$2.1 million) in the current year to date. This is the result of new debt being issued and debt being repaid.

December 31, 2021 Long-Term Debt Balance	\$140.8M
New Debt Issued January to June 2022	\$3.8M
Debt repayments made as at June 30, 2022	(\$5.9M)
June 30, 2022 Long-Term Debt Balance	\$138.7M

As of June 30, 2022, the County has utilized 33% of the County’s policy debt limit and 27% of the MGA legislated debt limit. The debt limits used are from the December 31, 2021 calculation.

As per policy FIN-001-025: Debt Management Policy, the County shall not exceed 80% of the total MGA legislated debt limit.

The estimated debt servicing percentage for June 30, 2022 is 4.74%.

Summary

Overall, the County remains in a healthy financial position. Revenue and Expenses currently have favourable variances. Timing variances are expected to be resolved in the second half of the year. Seasonal construction activity is expected to drive capital spend in the next quarter. A detailed forecast will also be provided in the Q3 2022 Management Report.

Appendices

1. Detailed Budget to Actual Information for Municipal Operations, Utility and Library and Consolidated Operations
2. Glossary of Terms

2022 Budget to Actuals Comparison

Municipal Operations

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Municipal				
Revenue				
Property Taxes	232,628,043	230,057,273	(2,570,770)	-1%
Government Grants	3,111,702	2,476,956	(634,746)	-20%
User Fees & Charges	18,963,403	15,869,557	(3,093,846)	-16%
Penalties and Fines	3,031,967	2,447,961	(584,006)	-19%
Investment Income	2,240,325	2,557,010	316,685	14%
Other Revenues	3,977,888	3,740,094	(237,794)	-6%
Subtotal	263,953,328	257,148,851	(6,804,477)	-3%
Contributed Assets	-	3,381,119	3,381,119	-
Total Revenue	263,953,328	260,529,970	(3,423,358)	-1%
Expense				
Salaries & Wages	72,556,457	69,963,470	2,592,987	4%
Employee Benefits	15,413,961	14,818,083	595,878	4%
Training & Development	1,194,714	823,510	371,204	31%
Business Expenses	587,903	294,859	293,044	50%
Advertising & Printing	1,024,329	632,772	391,557	38%
Professional Services	3,709,657	1,112,724	2,596,933	70%
Insurance	1,194,894	1,199,911	(5,017)	0%
Rentals & Leases	1,596,900	1,483,963	112,937	7%
Contracted Services	28,311,882	24,008,646	4,303,236	15%
Supplies & Materials	9,475,301	10,574,366	(1,099,065)	-12%
Repairs & Maintenance	2,317,047	2,216,598	100,449	4%
Equipment Purchases	956,361	637,448	318,913	33%
Utilities	4,638,869	4,418,085	220,784	5%
Telecommunications	540,838	441,607	99,231	18%
Interest on Debt	1,390,919	1,285,049	105,870	8%
Grants & Requisitions	6,134,205	3,165,263	2,968,942	48%
Other Expenses	1,914,156	1,232,336	681,820	36%
Interprogram	(668,130)	(2,255,819)	1,587,689	-238%
Gain/Loss on Asset Disposal	-	(73,414)	73,414	-
Amortization Expense	27,194,970	26,238,093	956,877	4%
Total Expense	179,485,233	162,217,550	17,267,683	10%
Net Revenues/(Expenses)	84,468,095	98,312,420	13,844,325	-16%
Non-Operating Items				
From Reserve	11,381,641	2,554,824	(8,826,817)	-78%
To Capital	(37,680)	(161,698)	(124,018)	329%
To Reserve	(34,051,546)	(34,564,424)	(512,878)	2%
Loan Funds Repaid	711,470	700,271	(11,199)	-2%
Long Term Debt Repaid	(3,871,358)	(3,570,159)	301,199	-8%
Total Non-Operating Items	(25,867,473)	(35,041,186)	(9,173,713)	35%
Non-Cash Adjustment	27,238,373	22,829,504	(4,408,869)	-16%
Net Impact For Budget Purposes	\$ 85,838,995	\$ 86,100,738	\$ 261,743	0%

2022 Budget to Actuals Comparison

Utility Operations

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Utilities				
Revenue				
Property Taxes	14,570	5,117	(9,453)	-65%
Government Grants	3,504	11,853	8,349	238%
Utility User Rates	29,223,451	30,758,064	1,534,613	5%
User Fees & Charges	551,378	424,930	(126,448)	-23%
Investment Income	653,383	731,008	77,625	12%
Other Revenues	3,000	5,300	2,300	77%
Subtotal	30,449,286	31,936,272	1,486,986	5%
Contributed Assets	-	8,270,290	8,270,290	-
Total Revenue	30,449,286	40,206,562	9,757,276	32%
Expense				
Salaries & Wages	4,714,846	4,345,744	369,102	8%
Employee Benefits	1,018,165	961,043	57,122	6%
Training & Development	108,338	62,247	46,091	43%
Business Expenses	18,877	6,333	12,544	66%
Advertising & Printing	258,388	205,732	52,656	20%
Professional Services	316,641	59,167	257,474	81%
Rentals & Leases	193,329	119,544	73,785	38%
Contracted Services	4,366,976	3,010,663	1,356,313	31%
Supplies & Materials	10,272,624	11,899,613	(1,626,989)	-16%
Repairs & Maintenance	677,688	1,001,360	(323,672)	-48%
Equipment Purchases	90,540	59,436	31,104	34%
Utilities	723,481	869,714	(146,233)	-20%
Utilities - Recovery Internal	(730,426)	(676,250)	(54,176)	7%
Telecommunications	76,782	87,760	(10,978)	-14%
Interest on Debt	1,017,867	1,016,466	1,401	0%
Other Expenses	49,608	499	49,109	99%
Interprogram	317,594	1,833,656	(1,516,062)	-477%
Gain/Loss on Asset Disposal	-	-	-	-
Amortization Expense	4,861,920	4,090,281	771,639	16%
Total Expense	28,353,238	28,953,008	(599,770)	-2%
Net Revenues/(Expenses)	2,096,048	11,253,554	9,157,506	-437%
Non-Operating Items				
From Reserve	1,199,458	757,066	(442,392)	-37%
To Capital	-	-	-	-
To Reserve	(1,567,958)	(1,707,615)	(139,657)	9%
Long Term Debt Repaid	(1,836,648)	(1,833,621)	3,027	0%
Total Non-Operating Items	(2,205,148)	(2,784,170)	(579,022)	26%
Non-Cash Adjustment	4,920,807	(4,130,170)	(9,050,977)	-184%
Net Impact For Budget Purposes	\$ 4,811,707	\$ 4,339,214	\$ (472,493)	-10%

2022 Budget to Actuals Comparison

Library Operations

Library	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Revenue				
Property Taxes	10,052,503	9,939,860	(112,643)	-1%
Government Grants	530,563	530,563	-	0%
Utility User Rates	-	-	-	-
User Fees & Charges	12,156	13,346	1,190	10%
Penalties and Fines	5,502	6,826	1,324	24%
Investment Income	44,563	21,780	(22,783)	-51%
Other Revenues	75,858	453,488	377,630	498%
Total Revenue	10,721,145	10,965,863	244,718	2%
Expense				
Salaries & Wages	2,634,969	2,551,636	83,333	3%
Employee Benefits	627,915	653,132	(25,217)	-4%
Training & Development	19,498	14,499	4,999	26%
Business Expenses	8,319	1,335	6,984	84%
Advertising & Printing	19,750	5,005	14,745	75%
Professional Services	8,370	7,754	616	7%
Rentals & Leases	5,198	4,778	420	8%
Contracted Services	35,448	18,919	16,529	47%
Supplies & Materials	384,768	360,525	24,243	6%
Repairs & Maintenance	37,615	25,643	11,972	32%
Equipment Purchases	14,214	5,914	8,300	58%
Telecommunications	8,724	7,926	798	9%
Interest on Debt	374,747	374,749	(2)	0%
Grants & Requisitions	-	56,635	(56,635)	-
Other Expenses	2,200	263,024	(260,824)	-11856%
Interprogram	403,246	406,159	(2,913)	-1%
Amortization Expense	592,356	599,468	(7,112)	-1%
Total Expense	5,177,337	5,357,101	(179,764)	-3%
Net Revenues/(Expenses)	5,543,808	5,608,762	64,954	-1%
Non-Operating Items				
From Reserve	-	56,635	56,635	-
To Capital	(272,382)	(215,739)	56,643	-21%
To Reserve	(33,689)	(61,265)	(27,576)	82%
Long Term Debt Repaid	(462,336)	(462,337)	(1)	0%
Total Non-Operating Items	(768,407)	(682,706)	85,701	-11%
Non-Cash Adjustment	592,356	599,468	7,112	1%
Net Impact For Budget Purposes	\$ 5,367,757	\$ 5,525,524	\$ 157,767	3%

2022 Budget to Actuals Comparison

Consolidated

	Q2 2022 Budget	Q2 2022 Actuals	Favourable (Unfavourable) \$	Favourable (Unfavourable) %
Consolidated				
Revenue				
Property Taxes	242,695,116	240,002,251	(2,692,865)	-1%
Government Grants	3,645,769	3,019,372	(626,397)	-17%
Utility User Rates	29,223,451	30,758,064	1,534,613	5%
User Fees & Charges	19,526,937	16,307,833	(3,219,104)	-16%
Penalties and Fines	3,037,469	2,454,788	(582,681)	-19%
Investment Income	2,938,271	3,309,798	371,527	13%
Other Revenues	4,056,746	4,198,883	142,137	4%
Subtotal	305,123,759	300,050,989	(5,072,770)	-2%
Contributed Assets	-	11,651,410	11,651,410	-
Total Revenue	305,123,759	311,702,399	6,578,640	2%
Expense				
Salaries & Wages	79,906,272	76,860,849	3,045,423	4%
Employee Benefits	17,060,041	16,432,258	627,783	4%
Training & Development	1,322,550	900,256	422,294	32%
Business Expenses	615,099	302,527	312,572	51%
Advertising & Printing	1,302,467	843,509	458,958	35%
Professional Services	4,034,668	1,179,645	2,855,023	71%
Insurance	1,194,894	1,199,911	(5,017)	0%
Rentals & Leases	1,795,427	1,608,285	187,142	10%
Contracted Services	32,714,306	27,038,228	5,676,078	17%
Supplies & Materials	20,132,693	22,834,504	(2,701,811)	-13%
Repairs & Maintenance	3,032,350	3,243,601	(211,251)	-7%
Equipment Purchases	1,061,115	702,798	358,317	34%
Utilities	5,362,350	5,287,800	74,550	1%
Utilities - Recovery Internal	(730,426)	(676,250)	(54,176)	7%
Telecommunications	626,344	537,293	89,051	14%
Interest on Debt	2,783,533	2,676,263	107,270	4%
Grants & Requisitions	6,134,205	3,221,898	2,912,307	47%
Other Expenses	1,965,964	1,495,859	470,105	24%
Interprogram	52,710	(16,004)	68,714	130%
Gain/Loss on Asset Disposal	-	(73,414)	73,414	-
Amortization Expense	32,649,246	30,927,842	1,721,404	5%
Total Expense	213,015,808	196,527,658	16,488,150	8%
Net Revenues/(Expenses)	92,107,951	115,174,741	23,066,790	-25%
Non-Operating Items				
From Reserve	12,581,099	3,368,525	(9,212,574)	-73%
To Capital	(310,062)	(377,436)	(67,374)	22%
To Reserve	(35,653,193)	(36,333,304)	(680,111)	2%
Loan Funds Repaid	711,470	700,271	(11,199)	-2%
Long Term Debt Repaid	(6,170,342)	(5,866,116)	304,226	-5%
Total Non-Operating Items	(28,841,028)	(38,508,060)	(9,667,032)	34%
Non-Cash Adjustment	32,751,536	19,298,803	(13,452,733)	-41%
Net Impact For Budget Purposes	\$ 96,018,459	\$ 95,965,484	\$ (52,975)	0%

GLOSSARY OF TERMS

- **Annual Operating Surplus / (Deficit) for Tax Purposes** – The annual surplus / (deficit) is the difference between the approved operating budget and the actual revenue and expenditures that occur during the year. The surplus / (deficit) is based on the modified cash flow basis, which includes debt repayment expenditures and reserve transactions, and excludes amortization expense, gains / (losses) on asset disposals and capital revenues, unlike the Public Sector Accounting Standards (PSAS) surplus / (deficit).
- **Committed** – Funding approved per FIN-001-024: Municipal Reserves Policy to be applied towards specific expenditures.
- **Designated** – Funding designated to reserves for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.
- **Forecasted Variances** – Future variances to budget that have yet to occur but are expected to be realized before the end of the year based on current information and are projected to affect the year end surplus (deficit).
- **Permanent Differences** – Variances to budget that have occurred and will affect the year-end surplus (deficit).
- **Public Sector Accounting Standards (PSAS) Surplus / (Deficit)** – The surplus / (deficit) resulting from financial statements prepared in accordance with PSAS, which is done on an accrual basis, including both operating and capital transactions.
- **Timing Differences** – Variances to budget that are expected to reverse during the remainder of the year and will not affect the year end surplus / (deficit).
- **Year End Forecast** – Variances to budget that are expected at year end due to permanent differences and forecasted variances. These variances will affect the year end forecasted surplus / (deficit).
- **Year-To-Date Operating Variance** – The favourable or (unfavourable) difference between budget and actuals at a point in time including any timing differences.

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