

Memo



To: Regular Meeting
From: Chief Financial Officer
Date: 2019-03-25
Subject: Quarter 4 2018 Financial Reports

The 2018 year-end financial reports, including statements of revenues, expenditures, capital expenditures, balance sheet summary and reserve continuity, are enclosed here for your review. Please note that these reports have been prepared as unaudited financial summaries and the final results for the year are still pending audit review and approval.

The following is a brief overview of the results for the year:

Financial Assets

Unrestricted cash has increased by \$1,329,161 from December 2017, while restricted cash in reserve accounts has decreased \$311,439.

Taxes and utilities receivable have increased by approximately 2.5% from 2017, to a combined total of \$2,274,683.

The other accounts receivable balance consists mainly of insurance, Disaster Financial Assistance, and Emergency Management BC receivables. Approximately \$750,000 of this has been received since the end of the year.

Financial assets overall have increased by approximately \$2.35 million from last year.

Liabilities

Trade accounts payable and accrued liabilities have increased by approximately \$964,000 due primarily to flood repair and capital project invoices outstanding at year end.

Long-term debt has declined by \$285,153, while short-term debt has increased by \$571,486 due to loan drawdowns received to fund the 22nd Street and West Side Fire Protection projects.

Of the \$25,925 increase in development cost charges, \$15,708 is from contributions while the remaining \$10,217 is interest earned.

Non-Financial Assets

Prepaid expenses comprise insurance premiums, software licences and support agreements, and payroll benefit premiums. The approximately \$70,000 increase from 2017 is representative of early invoicing by vendors.

\$2,956,053 was spent during the year on capital additions, while \$170,127 of disposals were recorded. \$3,648,971 of assets under construction were recorded as completed, and the net book value of tangible capital assets increased by \$1,061,145.

Revenues

Overall revenues are almost \$3.6 million below the amended budget amount, primarily due to capital project and other grant related expenditures not made during the year. The waste water treatment plant projects represent approximately \$2 million in capital grants carried over into 2019.

The electrical utility generated revenues of approximately half a million dollars over budget, with an associated additional expense of \$281,000.

As reported previously, campground revenues were significantly lower than anticipated at \$6,717. The City has, however, received \$42,868 in business loss insurance for the campground which is included in other recoveries.

Slag sales recovered back to pre-flood volumes during the third quarter, with revenues close to \$200,000 for the year.

Other recoveries include \$1,129,288 for flood damage covered by insurance and \$664,629 for flood response and recovery expenses reimbursable from the provincial government. The additional \$587,000 over budget offsets the majority of additional expenses incurred due to the flood.

Other proceeds of \$224,986 represents the gain on the sale of industrial land adjacent to the airport during the second quarter.

Expenses

Overall expenses were approximately \$940,000 below the amended budget amount, with the decrease due to most of the budgeted \$1,000,000 cost of dike repairs not being incurred.

With exceptions due to flood related emergency repairs and response, most reporting segments were under budget.

Report Approval Details

Document Title:	Quarter 4 2018 Financial Report.docx
Attachments:	- 2018 Q4 Report.pdf
Final Approval Date:	Mar 15, 2019

This report and all of its attachments were approved and signed as outlined below:

Diane Heinrich - Mar 15, 2019 - 2:41 PM