



SUBJECT: Operating Budget Performance as at December 31, 2016

TO: Committee of the Whole

FROM: Finance Department

Report Number: F-15-17

Wards Affected: All

File Numbers: 100-01

Date to Committee: April 3, 2017

Date to Council: April 18, 2017

Recommendation:

Receive and file finance department report F-15-17 regarding the operating budget performance as at December 31, 2016.

Purpose:

Address other area of responsibility.

Background and Discussion:

The attached Appendix A provides a corporate summary of the 2016 Operating Budget Performance as at December 31, 2016 and highlights significant favourable and unfavourable variances (+/- \$100,000) at the "net service level". Also, attached is Appendix B which provides explanatory notes for the cost elements with a significant favourable or unfavourable variance (+/- \$100,000). Appendix C provides explanatory notes for each service with a net favourable or unfavourable variance of +/- \$100,000.

Strategy/process

In order to be proactive in identifying issues and initiating actions to mitigate over expenditures and revenue shortfalls, budgetary performance is monitored regularly to provide an early indication of potential problems and gives management time to consider appropriate actions.

Financial Matters:

Retained Savings

The 2016 retained savings figure as reported in F-11-17 was \$2,592,699, subject to the year end audit.

Following some year end adjusting entries, below is the revised retained savings figure :

	2016 Budget	2016 Actual	Variance Fav. / (Unfav.)*
City Services	\$ 97,971,673	\$ 95,631,183	\$ 2,340,490
Special Partners & Boards**	\$ 13,870,909	\$ 13,882,516	\$ (11,607)
Corporate Expenditures	\$ 46,188,009	\$ 48,451,316	\$ (2,263,307)
Corporate Revenues	\$ (158,030,591)	\$ (160,533,519)	\$ 2,502,928
Total			\$ 2,568,505

* Figures may not add due to rounding

** Library – achieved a surplus in 2016 and transferred \$265K into their reserve fund as an allocation for future capital works.

BEDC – achieved a surplus in 2016 and transferred \$176K into their reserve fund to be used to finance the start up costs for the Innovation centre. This will enable BEDC to initiate this new project within the 2017 budget allocation from the City.

BPAC – had a loss due to poor ticket sales for the 2016/17 season resulting in a draw of \$311K from their reserve fund.

Conclusion:

This report provides an overview of the financial performance of the 2016 Operating Budget for each service as at December 31, 2016.

The monitoring of corporate expenditures and revenues is a key component of the City's financial management control system.

Respectfully submitted,

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Appendices:

- A. Summary of Operating Budget Performance as at December 31, 2016
- B. Spending and Revenue Analysis by Cost Element
- C. Variance Accountability by Service

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.