

# **QUARTERLY OPERATING REPORT**

PERIOD ENDED MARCH 31, 2018

QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

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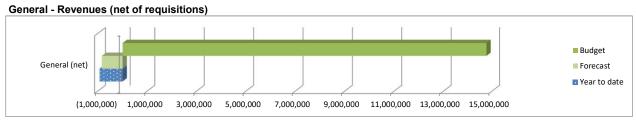
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Note:

For display purposes, amortization expense of capital assets has been removed from the departmental expenditures, as this is a non-cash transaction and is only recorded at yearend. The approved budget is also displayed with amortization removed.

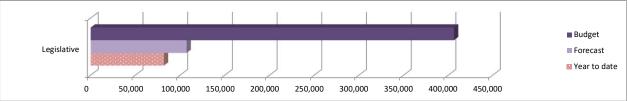
The quarterly operating reporting includes the financial information for the three (3) months ending March 31st. The actual figures have been compared to the approved budget for the year, and have also been compared to the forecasted figures for the 1st quarter. The forecasted figures have been estimated based on the approved budget and the timing of the transactions and journal entries (i.e. regular transactions, such as payroll, are based on 25% of the approved budget; whereas, yearend journal entries are only recorded in the 4th quarter)

### Analysis by Department



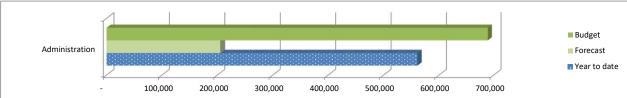
Actual tax revenues and forecast are zero for the first quarter since these amounts are recorded in the second quarter of each year. The County has already paid the first quarter school requisition amounts, so the revenue net of requisitions is currently negative.

#### Legislative - Expenditures



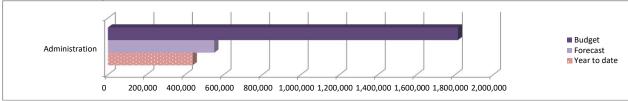
Variance between actual and budgeted expenditure is mainly due to the timing of receipt of Council per diems and reimbursement requests. These are typically recorded in the period received.

#### Administration - Revenues



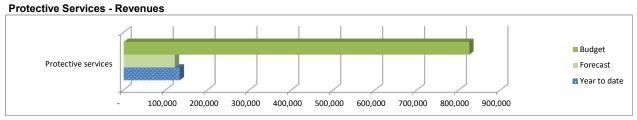
Actual revenues recorded are significantly higher than forecast for the first quarter, mainly due to two factors: penalties on tax arrears and interest income on County investments. The budgeted amount for tax arrears revenue is conservative due to the current economic climate in the oil and gas industry and risks surrounding collection of funds. Investment income is budgeted low because this type of revenue is budgeted in one single account, but is actually split between various appropriate locations in the general ledger as it is realized. This is done to simplify budgeting for interest income.

#### **Administration - Expenditures**



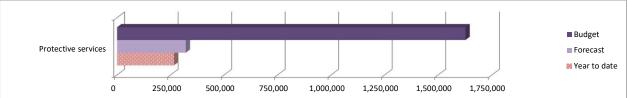
Actual expenditure is below forecast due to three factors. First, salaries in the first quarter were approximately \$17,000 less than expected. Second, approximately \$24,000 less was spend on outside consultants and professional services than expected. Finally, amounts expected to be paid to STARS and Rainbow Literacy could not be issued until the final budget was approved in the second quarter.





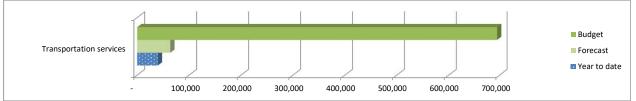
Actual revenues are higher than forecast mainly due to the receipt of a training grant from the province of approximately \$33,000. The reason less than 1/4 of revenues were forecasted to be realized in the first quarter is due to budgeted MSI operating revenue which is generally recognized in the fourth quarter of the year, rather than evenly throughout.

#### Protective Services - Expenditures



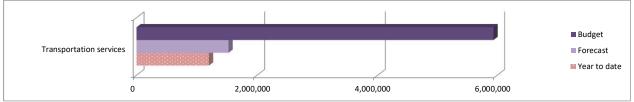
Actual expenditure is less than forecast, mainly due to lower cost of replacement of supplies, materials, and other goods than expected in the first quarter (about \$30,000 less than anticipated). These items are likely to be required more in the summer months when more activity is generally seen in this department.

#### **Transportation Services - Revenues**



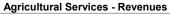
Transportation revenues generally consist of grant funding (recorded at year end), the community aggregate levy (booked once in mid-year and again at year end), material sales, such as gravel, and recovery charges. The shortfall in revenue compared to forecast reflects a low demand for materials during the first quarter. Actual revenues will likey improve in the second and third quarters.

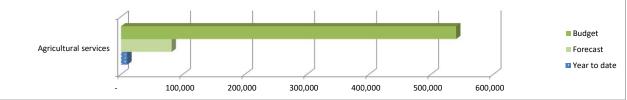
#### **Transportation Services - Expenditures**



Actual expenditure is lower than forecast. Similar to Protective Services, the bulk of expenditure in Transportation generally comes during the months of April to October so actuals are expected to 'catch up' to the forecast in the second quarter. Materials, goods, and supplies are significantly less than forecast (~\$200,000 less) which reflects low usage of fuel, auto parts, and other consumables. While certain parts such as blades were used in the first quarter for snow removal, those expenditures are reflected at year end when shop inventory is counted and adjusted to actual. Salaries are notably below forecast as well (\$110,000), which also reflects the higher amount of work required in the summer months.

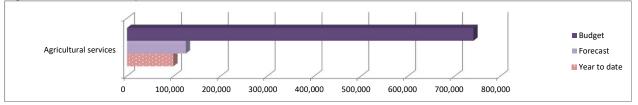






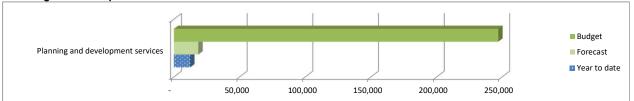
Variance between actual and forecast is due to the revenue from surface rights and right-of-way leases being recorded later in the year - approximately half of those revenues are recorded in the fourth quarter. Surface rights and the Ag Services grant make up the majority of budgeted revenues.

#### **Agricultural Services - Expenditures**



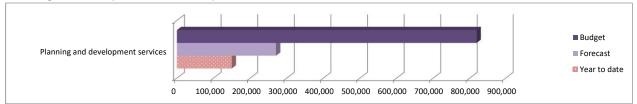
Actual expense is below forecast due to a lower than forecast usage of various supplies (about \$18,000 less). This is expected since the first quarter offers some of the lowest demand of the year for pesticides and other Agricultural products. As with some other departments, the majority of expenses here are expected in the middle part of the year.

#### **Planning and Development Services - Revenues**



The majority of annual revenues are expected in the 4th quarter when the grant accounting is completed leading up to year end. The shortfall of actual to forecasted revenue is due to the unpredictability of when these revenues will be seen in the year. There are seasonal trends, but timing receipt of permit applications is difficult to predict.

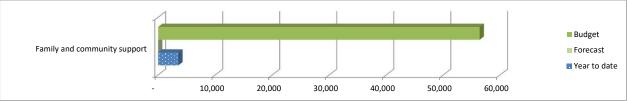
#### **Planning and Development Services - Expenditures**



Several projects are planned within Planning and Development Services for 2018, including IMDPs with neighouring municipalities and an ortho project. The timing of these was not certain, so expenditure was forecast evenly throughout the year. To date, only 1 invoice relating to the IMDPs has been received, contributing to the shortfall of expenditure compared to forecast. Also contributing are lower wage costs than expected, partially due to the Economic Development Officer not starting with the County until May 2018.

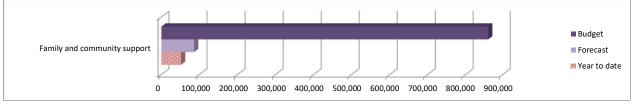


#### Family and Community Support - Revenues



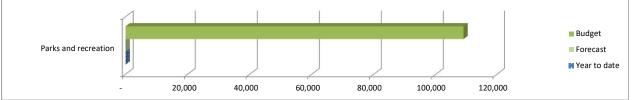
The variance between actual and forecast is due entirely to the investment income on funds held for the hospital expansion project of \$3,500 which is not specifically budgeted for. Revenue from the doctor retention program is typically recognized in the fourth quarter.

#### Family and Community Support - Expenditures



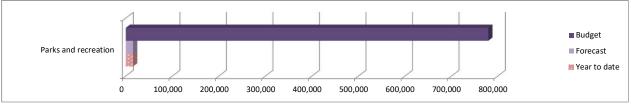
The largest portion of budgeted expenditures is the contribution to the hospital expansion project which is generally recorded quarterly beginning in the second quarter. Variance between forecast and actual is due to not having received the first quarter invoice for the doctor retention program. These invoices are typically a quarter behind.

#### **Parks and Recreation - Revenues**

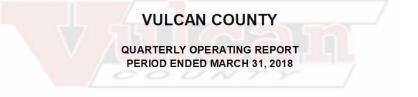


Full amount of budgeted revenue is the MSI operating allocation to the library. This is recognized in the 4th quarter, and both forecast and actual reflect this.

#### Parks and Recreation - Expenditures



Little is generally forecast for expenditures in the first quarter. This is because the majority of expenditure (contributions to rec areas, cultural spending, and the library) isn't incurred until the second quarter after the final budget is approved.

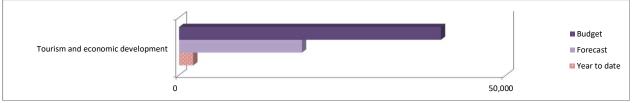


#### Tourism and Economic Development - Revenues



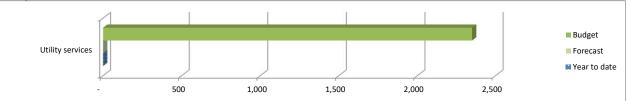
No revenues are budgeted for Tourism and Economic Development. \$1,500 in revenue has been billed so far, however. This is the rent paid by CB Marketing and a single payment of \$1,200 from VBDS prior to them closing their doors.

#### **Tourism and Economic Development - Expenditures**



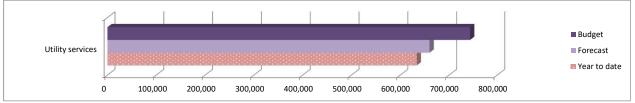
Shortfall of expenditure compared to forecast is due to having to wait for final budget approval before issuing payment for the County's share of Vulcan Tourism, which is shared with the Town of Vulcan.

#### **Utility Services - Revenues**



Budgeted revenue consist of solid waste fees for Brant. These are generally invoiced in the second quarter, so budget forecast and actual should agree perfectly in the June report.

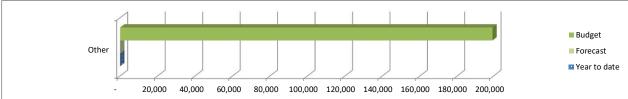
#### **Utility Services - Expenditures**



Slight cost underrun compared to forecast is mainly due to a smaller than expected requisition from the Vulcan District Waste Commission (approximately \$20,000 less than anticipated). Other costs in utility services are comparable to forecast.

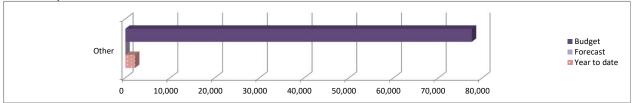


#### Other - Revenues



The revenue here corresponds to the Town of Vulcan's contribution which they will be paying to the County when contruction is set to begin. As noted previously, this revenue is recognized througout the year and the specific amount to be recorded may vary from expectation.

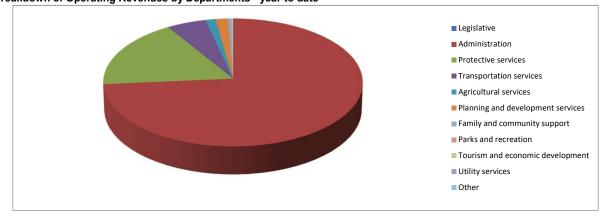
#### Other - Expenditures



Expenditures here generally consist of Council contingency spending and any tax discounts due to assessment appeals. The only expenditures here related to invoices from 2017 that arrived after the 2017 year end audit was completed and the year closed off in our accounting system. They are recorded in a separate account and a full listing will be provided to the auditor for their review next year.

QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

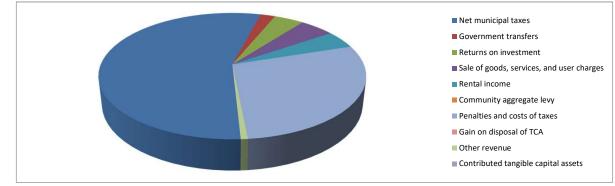
# Breakdown of Operating Revenues by Departments - year to date



| Department                        | Budget    | Year to date | Budget % |
|-----------------------------------|-----------|--------------|----------|
| Legislative                       | -         | -            | 0.00%    |
| Administration                    | 689,050   | 561,086      | 81.43%   |
| Protective services               | 825,005   | 133,661      | 16.20%   |
| Transportation services           | 694,914   | 39,747       | 5.72%    |
| Agricultural services             | 540,350   | 10,284       | 1.90%    |
| Planning and development services | 247,050   | 12,478       | 5.05%    |
| Family and community support      | 56,407    | 3,541        | 6.28%    |
| Parks and recreation              | 109,000   | -            | 0.00%    |
| Tourism and economic development  | -         | 1,500        | 0.00%    |
| Utility services                  | 2,349     | -            | 0.00%    |
| Other                             | 199,410   | -            | 0.00%    |
|                                   | 3,363,535 | 762,297      |          |

\* excludes general revenues (net municipal taxes) for display purposes

# Breakdown of Operating Revenues by Type - year to date

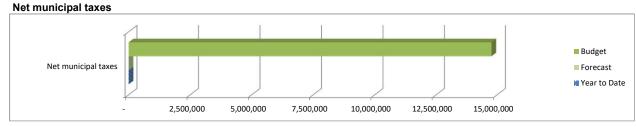


| Type of revenue                             | Budget     | Year to date | Budget % |
|---|------------|--------------|----------|
| Net municipal taxes                         | 14,767,563 | (929,355)    | -6.29%   |
| Government transfers                        | 904,705    | 35,514       | 3.93%    |
| Returns on investment                       | 391,536    | 72,399       | 18.49%   |
| Sale of goods, services, and user charges   | 873,912    | 83,766       | 9.59%    |
| Rental income                               | 304,880    | 77,432       | 25.40%   |
| Community aggregate levy                    | 220,000    | 86           | 0.04%    |
| Penalties and costs of taxes                | 125,500    | 481,041      | 383.30%  |
| Gain on disposal of tangible capital assets | -          | -            | 0.00%    |
| Other revenue                               | 258,210    | 12,059       | 4.67%    |
| Contributed tangible capital assets         | 284,792    | -            | 0.00%    |
|   | 18,131,098 | (167,058)    |          |

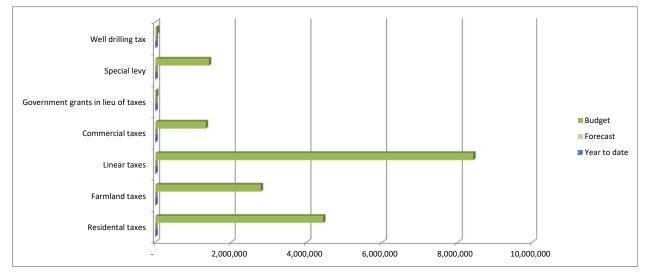
QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

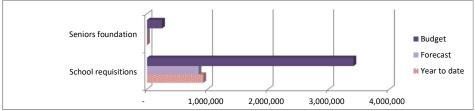
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#### Analysis of Revenues by Type



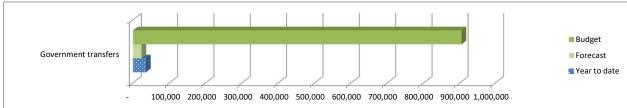
| Supplement                         | Budget     | Year to date | Remaining  |
|------------------------------------|------------|--------------|------------|
| Residental taxes                   | 4,432,161  | -            | 4,432,161  |
| Farmland taxes                     | 2,786,965  | -            | 2,786,965  |
| Linear taxes                       | 8,400,097  | -            | 8,400,097  |
| Commercial taxes                   | 1,330,926  | -            | 1,330,926  |
| Government grants in lieu of taxes | 18,600     | -            | 18,600     |
| Special levy                       | 1,415,132  | -            | 1,415,132  |
| Well drilling tax                  | 40,000     | 17           | 39,983     |
|                                    | 18,423,881 | 17           | 18,423,864 |
| School requisitions                | 3,408,081  | 929,372      | 2,478,709  |
| Seniors foundation                 | 248,237    | -            | 248,237    |
|                                    | 14,767,563 | (929,355)    | 15,696,918 |
|                                    |            |              |            |



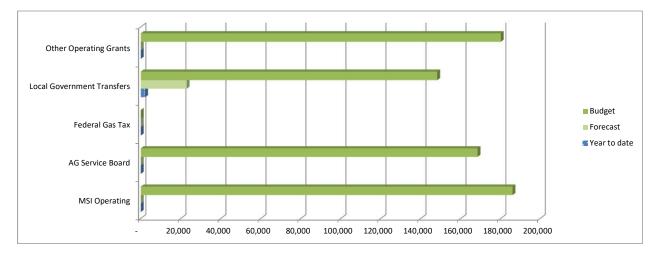


## Analysis of Revenues by Type - continued

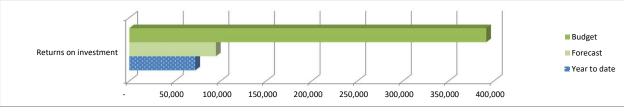
#### Government Transfers



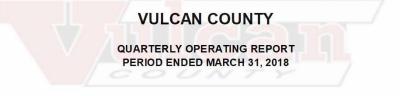
| Supplement                 | Budget  | Year to date | Remaining |
|----------------------------|---------|--------------|-----------|
| MSI Operating              | 185,940 | -            | 185,940   |
| AG Service Board           | 168,350 | -            | 168,350   |
| Federal Gas Tax            | -       | -            | -         |
| Local Government Transfers | 148,181 | 2,179        | 146,002   |
| Other Operating Grants     | 180,000 | -            | 180,000   |
|                            | 682,471 | 2,179        | 680,292   |





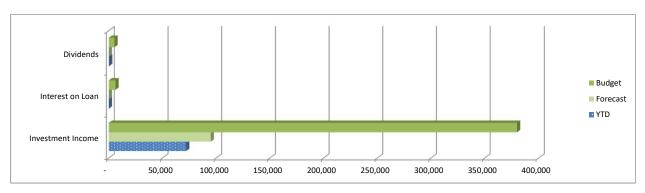


| Supplement        | Budget  | Year to date | Remaining |
|-------------------|---------|--------------|-----------|
| Investment Income | 380,000 | 72,088       | 307,912   |
| Interest on Loan  | 6,236   | -            | 6,236     |
| Dividends         | 5,300   | 311          | 4,989     |
|                   | 391,536 | 72,399       | 319,137   |

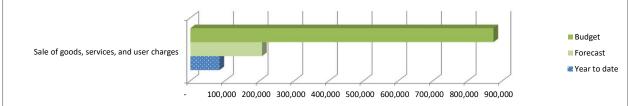


# Analysis of Revenues by Type - continued

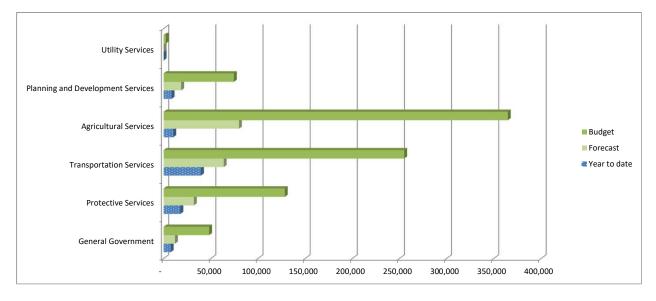
#### **Return on Investments - continued**



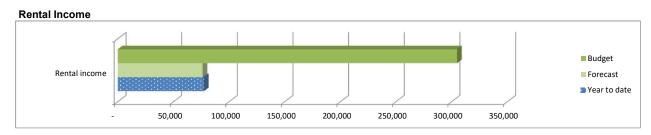
# Sale of Goods, Services, and User Charges

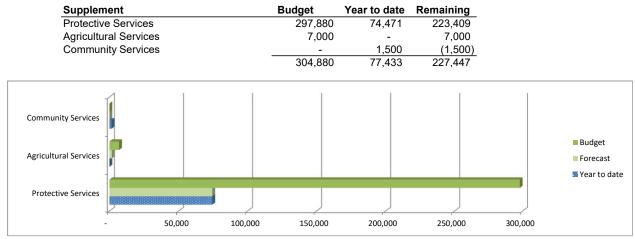


| Supplement                        | Budget  | Year to date | Remaining |
|-----------------------------------|---------|--------------|-----------|
| General Government                | 48,300  | 7,544        | 40,756    |
| Protective Services               | 128,534 | 17,798       | 110,736   |
| Transportation Services           | 255,180 | 39,661       | 215,519   |
| Agricultural Services             | 365,000 | 10,283       | 354,717   |
| Planning and Development Services | 74,550  | 8,478        | 66,072    |
| Utility Services                  | 2,349   | -            | 2,349     |
|                                   | 873,913 | 83,764       | 790,149   |

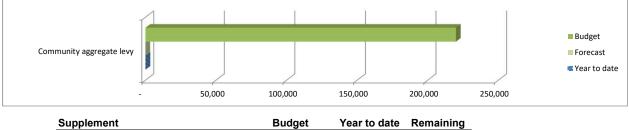


# Analysis of Revenues by Type - continued



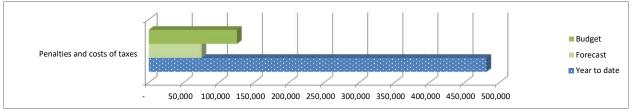


#### **Community Aggregate Levy**

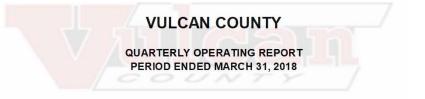


SupplementBudgetFear to dateRemainingCommunity aggregate levy220,00086219,914

### Penalties and Costs of Taxes



| Supplement                 | Budget  | Year to date | Remaining |
|----------------------------|---------|--------------|-----------|
| Penalties on Current Taxes | 50,000  | 245          | 49,755    |
| Penalties on Tax Arrears   | 75,000  | 480,796      | (405,796) |
| Penalties on Receivables   | 500     | -            | 500       |
|                            | 125,500 | 481,041      | (355,541) |



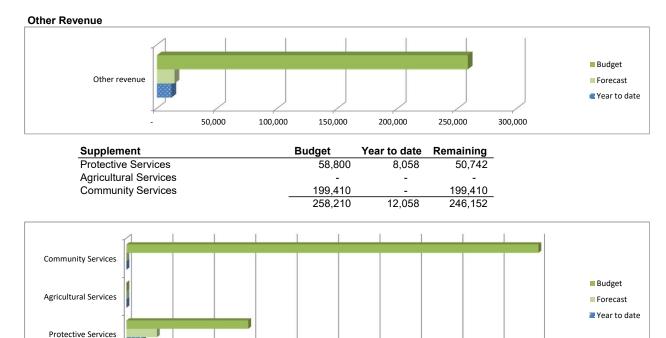
### Analysis of Revenues by Type - continued

20,000

40,000

60,000

80,000



100,000

120,000 140,000

160,000

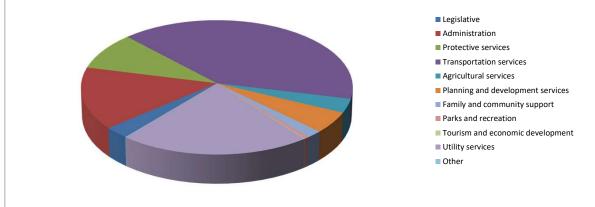
180,000

200,000

QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

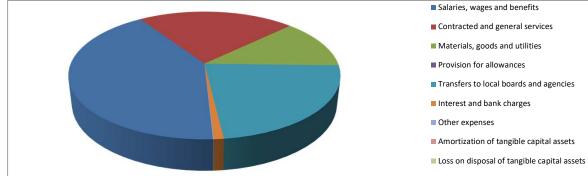
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#### Breakdown of Operating Expenses by Departments - year to date



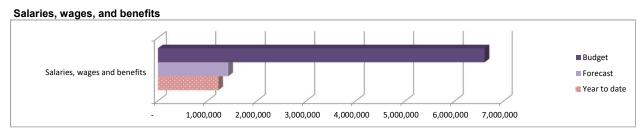
| Department                        | Budget     | Year to date | Budget % |
|-----------------------------------|------------|--------------|----------|
| Legislative                       | 406,332    | 81,875       | 20.15%   |
| Administration                    | 1,814,968  | 439,846      | 24.23%   |
| Protective services               | 1,627,375  | 265,791      | 16.33%   |
| Transportation services           | 5,934,918  | 1,199,744    | 20.22%   |
| Agricultural services             | 740,274    | 98,905       | 13.36%   |
| Planning and development services | 819,243    | 149,877      | 18.29%   |
| Family and community support      | 860,603    | 51,424       | 5.98%    |
| Parks and recreation              | 779,502    | 15,637       | 2.01%    |
| Tourism and economic development  | 39,911     | 2,150        | 5.39%    |
| Utility services                  | 743,505    | 633,664      | 85.23%   |
| Other                             | 77,597     | 2,156        | 2.78%    |
|                                   | 13,844,228 | 2,941,069    |          |

# Breakdown of Operating Expenses by Type - year to date

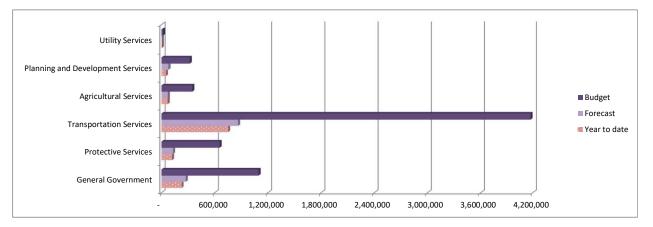


| Type of expense                             | Budget      | Year to date | Budget % |
|---|-------------|--------------|----------|
| Salaries, wages and benefits                | 6,606,942   | 1,219,829    | 18.46%   |
| Contracted and general services             | 3,405,894   | 653,219      | 19.18%   |
| Materials, goods and utilities              | 2,993,579   | 369,907      | 12.36%   |
| Transfers to local boards and agencies      | 2,479,797   | 666,580      | 26.88%   |
| Interest and bank charges                   | 66,632      | 29,378       | 44.09%   |
| Other expenses                              | 85,089      | 2,156        | 2.53%    |
| Loss on disposal of tangible capital assets | -           | -            | 0.00%    |
| Machine expenses capitalized                | (1,793,705) | -            | 0.00%    |
|   | 13,844,228  | 2,941,069    |          |
| Amortization of tangible capital assets     | 4,328,196   | -            | 0.00%    |
|   | 18,172,424  | 2,941,069    |          |

# Analysis of Expenses by Type



| Supplement                        | Budget    | Year to date | Remaining |
|-----------------------------------|-----------|--------------|-----------|
| General Government                | 1,094,071 | 226,169      | 867,902   |
| Protective Services               | 654,925   | 118,702      | 536,223   |
| Transportation Services           | 4,174,003 | 751,213      | 3,422,790 |
| Agricultural Services             | 347,107   | 69,784       | 277,323   |
| Planning and Development Services | 318,490   | 49,995       | 268,495   |
| Utility Services                  | 18,345    | 3,965        | 14,380    |
| -                                 | 6,606,941 | 1,219,828    | 5,387,113 |

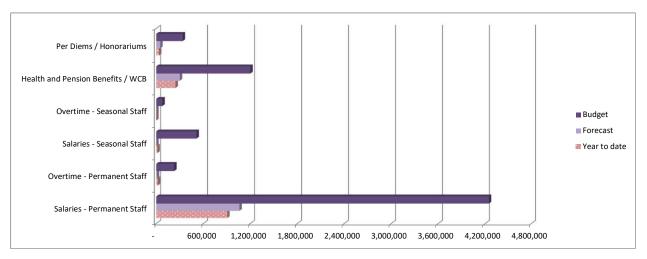


| Supplement                        | Budget    | Year to date | Remaining |
|-----------------------------------|-----------|--------------|-----------|
| Salaries - Permanent Staff        | 4,247,725 | 906,377      | 3,341,348 |
| Overtime - Permanent Staff        | 228,467   | 18,900       | 209,567   |
| Salaries - Seasonal Staff         | 513,956   | 14,158       | 499,798   |
| Overtime - Seasonal Staff         | 77,508    | -            | 77,508    |
| Health and Pension Benefits / WCB | 1,200,862 | 245,847      | 955,015   |
| Per Diems / Honorariums           | 337,425   | 34,292       | 303,133   |
|                                   | 6,605,942 | 1,219,574    | 5,386,369 |

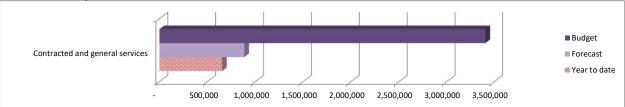
QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

#### Analysis of Expenses by Type - continued

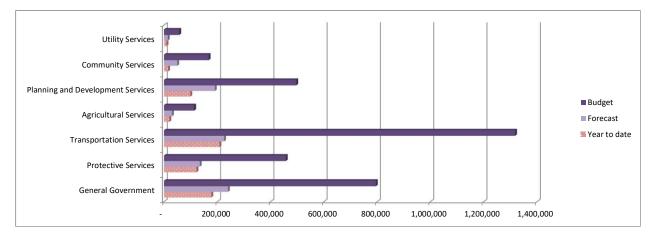
#### Salaries, wages, and benefits - continued



# Contracted and general services



| Supplement                        | Budget    | Year to date | Remaining |
|-----------------------------------|-----------|--------------|-----------|
| General Government                | 795,585   | 178,013      | 617,572   |
| Protective Services               | 457,404   | 122,312      | 335,092   |
| Transportation Services           | 1,317,874 | 208,429      | 1,109,445 |
| Agricultural Services             | 113,400   | 20,386       | 93,014    |
| Planning and Development Services | 496,518   | 98,803       | 397,715   |
| Community Services                | 167,771   | 15,744       | 152,027   |
| Utility Services                  | 57,343    | 9,533        | 47,810    |
|                                   | 3,405,895 | 653,220      | 2,752,675 |

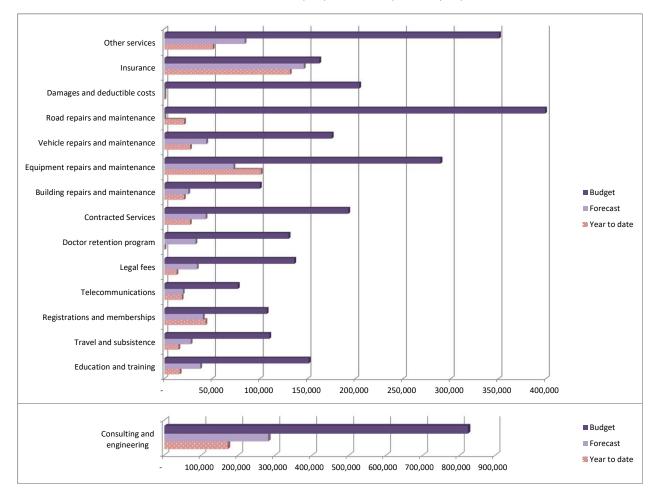


QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

#### Analysis of Expenses by Type - continued

#### Contracted and general services - continued

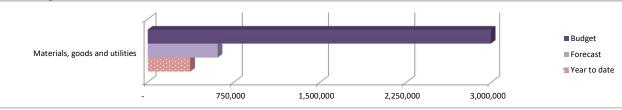
| Supplement                        | Budget    | Year to date | Remaining |
|-----------------------------------|-----------|--------------|-----------|
| Education and training            | 151,100   | 15,977       | 135,123   |
| Travel and subsistence            | 109,789   | 14,653       | 95,137    |
| Registrations and memberships     | 107,099   | 42,940       | 64,159    |
| Telecommunications                | 76,846    | 18,098       | 58,748    |
| Legal fees                        | 135,975   | 12,658       | 123,317   |
| Doctor retention program          | 130,000   | -            | 130,000   |
| Contracted Services               | 192,564   | 26,704       | 165,860   |
| Consulting and engineering        | 822,431   | 171,493      | 650,938   |
| Building repairs and maintenance  | 99,998    | 20,376       | 79,622    |
| Equipment repairs and maintenance | 289,150   | 100,895      | 188,255   |
| Vehicle repairs and maintenance   | 175,273   | 26,820       | 148,453   |
| Road repairs and maintenance      | 398,966   | 20,545       | 378,421   |
| Damages and deductible costs      | 204,000   | -            | 204,000   |
| Insurance                         | 162,199   | 131,421      | 30,777    |
| Other services                    | 350,504   | 50,640       | 299,864   |
|                                   | 3,405,894 | 653,219      | 2,752,675 |



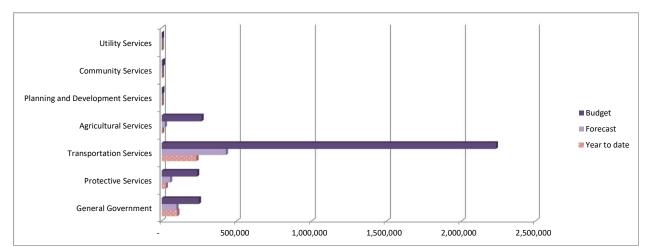
QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

# Analysis of Expenses by Type - continued

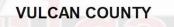
# Material, goods, and utilities



| Supplement                        | Budget    | Year to date | Remaining |
|-----------------------------------|-----------|--------------|-----------|
| General Government                | 248,030   | 104,102      | 143,928   |
| Protective Services               | 236,296   | 27,313       | 208,983   |
| Transportation Services           | 2,228,747 | 232,103      | 1,996,644 |
| Agricultural Services             | 266,117   | 3,124        | 262,993   |
| Planning and Development Services | 4,235     | 1,078        | 3,157     |
| Community Services                | 8,415     | 2,043        | 6,372     |
| Utility Services                  | 1,740     | 144          | 1,596     |
| -                                 | 2,993,580 | 369,907      | 2,623,673 |



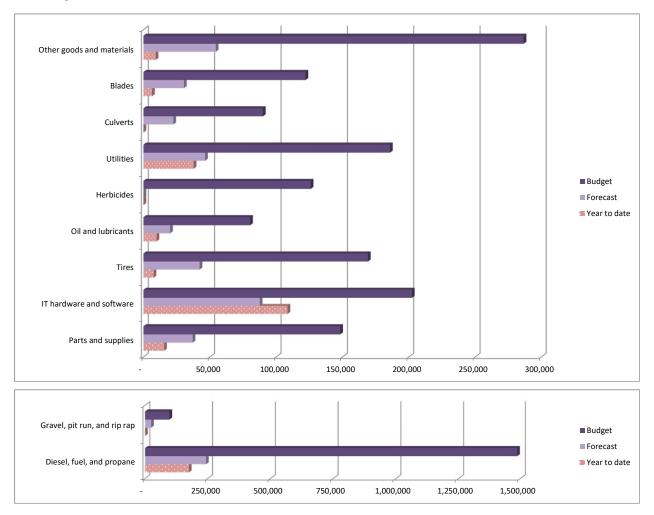
| Supplement                   | Budget    | Year to date | Remaining |
|------------------------------|-----------|--------------|-----------|
| Parts and supplies           | 148,249   | 15,540       | 132,708   |
| IT hardware and software     | 202,274   | 108,530      | 93,745    |
| Diesel, fuel, and propane    | 1,486,218 | 174,615      | 1,311,603 |
| Tires                        | 169,103   | 7,635        | 161,468   |
| Oil and lubricants           | 80,368    | 9,844        | 70,524    |
| Gravel, pit run, and rip rap | 96,949    | 255          | 96,694    |
| Herbicides                   | 126,000   | -            | 126,000   |
| Utilities                    | 185,784   | 37,803       | 147,981   |
| Culverts                     | 90,000    | -            | 90,000    |
| Blades                       | 122,064   | 6,456        | 115,608   |
| Other goods and materials    | 286,570   | 9,230        | 277,340   |
|                              | 2,993,579 | 369,907      | 2,623,672 |



QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

# Analysis of Expenses by Type - continued

#### Material, goods, and utilities - continued

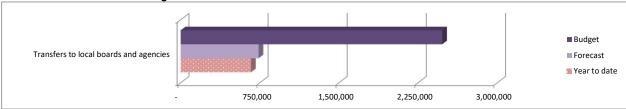


QUARTERLY OPERATING REPORT PERIOD ENDED MARCH 31, 2018

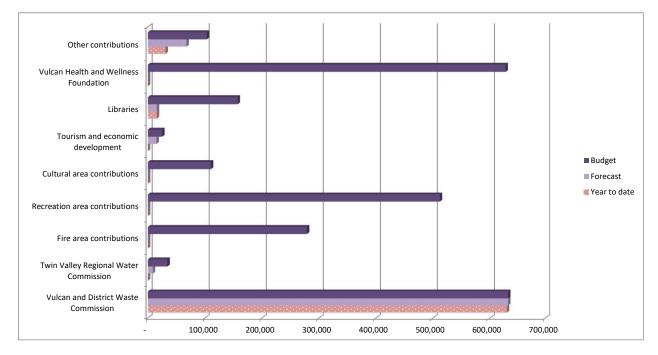
#### INOD ENDED MARCH 01, 2010

#### Analysis of Expenses by Type - continued

#### Transfers to local boards and agencies

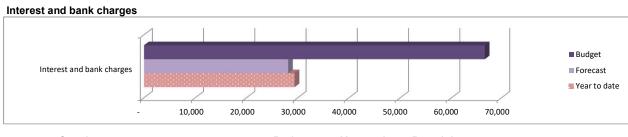


| Supplement                            | Budget    | Year to date | Remaining |
|---------------------------------------|-----------|--------------|-----------|
| Vulcan and District Waste Commission  | 631,949   | 629,600      | 2,349     |
| Twin Valley Regional Water Commission | 34,128    | (9,577)      | 43,705    |
| Fire area contributions               | 278,750   | -            | 278,750   |
| Recreation area contributions         | 511,686   | -            | 511,686   |
| Cultural area contributions           | 110,542   | -            | 110,542   |
| Tourism and economic development      | 25,000    | -            | 25,000    |
| Libraries                             | 157,275   | 15,637       | 141,638   |
| Vulcan Health and Wellness Foundation | 627,224   | -            | 627,224   |
| Other contributions                   | 103,244   | 30,920       | 72,324    |
|                                       | 2,479,797 | 666,580      | 1,813,217 |



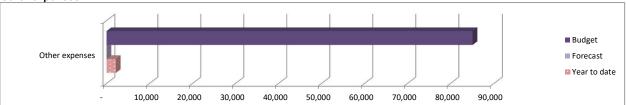
Note: The Vulcan and District Waste Commission provides their requisition for the year in January, so the expense is reflected in the first quarter. Other areas shown above tend to start showing actual expense in the second quarter after the operating budget is approved and funding can be released to outside organizations.

# Analysis of Expenses by Type - continued



| Supplement                | Budget | Year to date | Remaining |
|---------------------------|--------|--------------|-----------|
| Interest and bank charges | 66,632 | 29,378       | 37,254    |

Other expenses



| Supplement                     | Budget | Year to date | Remaining |
|--------------------------------|--------|--------------|-----------|
| Write-off of uncollectable tax | 12,598 | -            | 12,598    |
| Gravel reclamation             | -      | -            | -         |
| Inventory reduction            | -      | -            | -         |
| Contingency fund               | 65,000 | -            | 65,000    |
| Other expenses                 | 7,491  | 2,156        | 5,335     |
|                                | 85,089 | 2,156        | 82,933    |

