

QUARTERLY OPERATING REPORT

PERIOD ENDED JUNE 30, 2018

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Note.

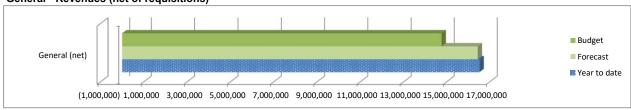
For display purposes, amortization expense of capital assets has been removed from the departmental expenditures, as this is a non-cash transaction and is only recorded at yearend. The approved budget is also displayed with amortization removed.

The quarterly operating reporting includes the financial information for the six (6) months ending June 30th. The actual figures have been compared to the approved budget for the year, and have also been compared to the forecasted figures for the 2nd quarter. The forecasted figures have been estimated based on the approved budget and the timing of transactions and journal entries during the year.

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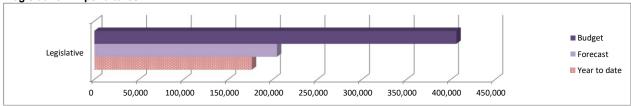
Analysis by Department

General - Revenues (net of requisitions)



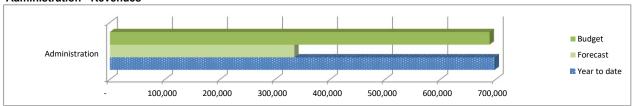
Actual tax revenues are very close to forecasted revenues. The slight variance between actual and forecast is due to not having received the Marquis Foundation requisition as yet. Net tax revenue will decrease in subsequent quarters as we receive school and seniors' foundation requisitions.

Legislative - Expenditures



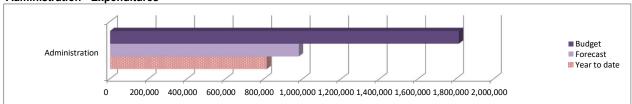
Variance between actual and budgeted expenditure is mainly due to the timing of receipt of Council per diems and reimbursement requests. These are typically recorded in the period received.

Administration - Revenues



Actual revenues recorded are significantly higher than forecast for the second 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

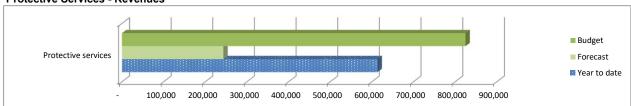


Actual expenditure is below forecast due to three factors. First, salaries through the second quarter were approximately \$27,000 less than expected. Second, approximately \$30,000 less was spent on outside consultants and professional services than expected. Third, a request from Rainbow Literacy resulted in reallocating their contribution of \$35,000 from the second quarter to the third quarter.

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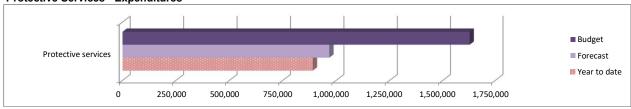
Analysis by Department - continued





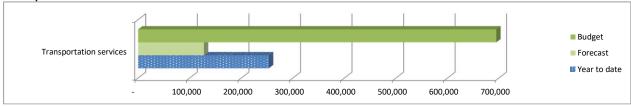
Actual revenues are higher than forecast mainly due to the Town of Vulcan's contribution to a County fire apparatus. This revenue was budgeted for on the capital side, but accounting standards require us to report the operating revenue for the contribution, then an offsetting transfer (operating expense) to move it to the capital function. The transfer will be recorded at year end along with the majority of the other capital transactions for the year.

Protective Services - Expenditures



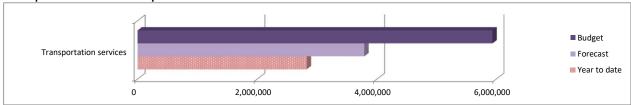
Actual expenditure is less than forecast, partly due to lower cost of replacement of supplies, materials, and other goods than expected through the second quarter (about \$30,000 less than anticipated). These items are likely to be required more in the summer months when more activity is generally seen in this department. Another factor was that the County's second CPO was hired part-way through the year, resulting in lower salary expense than budget.

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. Revenue being higher than forecast is a reflection of the second quarter being a busy time of year for dust abatement work - this revenue is forecasted more evenly than is typically realized.

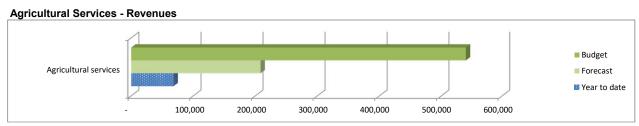
Transportation Services - Expenditures



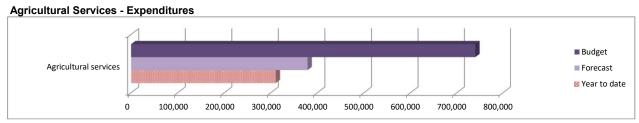
Actual expenditure is lower than forecast. Similar to Protective Services, the bulk of expenditure in Transportation generally comes during the months of May to October so actuals are expected to 'catch up' to the forecast as the year proceeds. Materials, goods, and supplies are significantly less than forecast (~\$400,000 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. Contracted services were also significantly below forecast (~\$300,000), which is also a reflection of this departments seasonal trends.

QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis by Department - continued

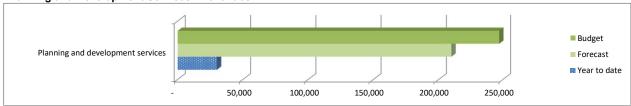


Variance between actual and forecast is mainly due to the revenue from surface rights and right-of-way leases being recorded later in the year - approximately half of those revenues are recorded in the fourth quarter. Surface rights and the Ag Services grant make up the majority of budgeted revenues.



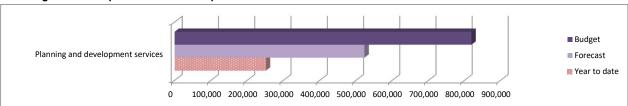
Actual expense is below forecast due to a lower than forecast usage of various supplies (about \$35,000 less). This is expected since demand for pesticides and many other agricultural products doesn't begin until around half way through the second quarter. As with some other departments, the majority of expenses here are expected in the middle part of the year.

Planning and Development Services - Revenues



The majority of the shortfall of revenue compared to forecast is from difficulty timing the recognition of the grant from the province for a Regional Collaboration plan. The grant has been approved and will be recognized as expenses are incurred.

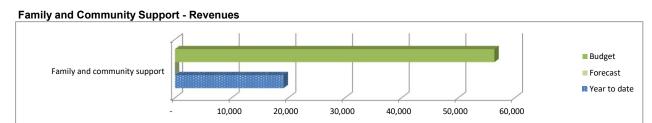
Planning and Development Services - Expenditures



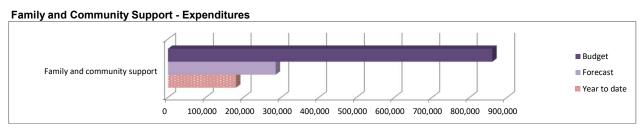
Several projects are planned within Planning and Development Services for 2018, including IMDPs with neighouring municipalities and an ortho project. The timing of these was not certain, so expenditure was forecast evenly throughout the year. Similar to the revenue side, budgeted expenditure on the Regional Collaboration plan will be recognized as incurred. Also contributing are lower wage costs than expected, mostly due to the Economic Development Officer not starting with the County until May 2018.

QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis by Department - continued

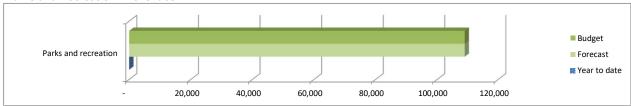


The variance between actual and forecast is due entirely to the investment income on funds held for the hospital expansion project of \$3,500 which is not specifically budgeted for. Revenue from the doctor retention program is typically recognized in the fourth quarter.

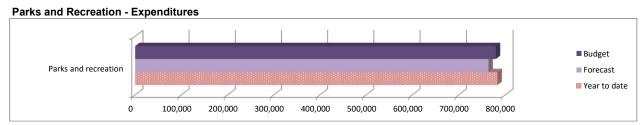


The largest portion of budgeted expenditures is the contribution to the hospital expansion project which is generally recorded quarterly beginning in the second quarter. Variance between forecast and actual is due to not having received the second quarter invoice for the doctor retention program or the second quarter financials from VCHWF. These items 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.



Actual expenditure is higher than forecast due to paying the full year amount to all funding recipients at once rather than in instalments. This was done for simplicity.

QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

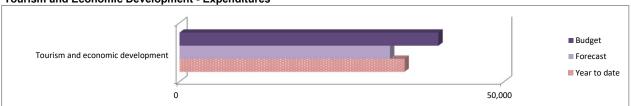
Analysis by Department - continued

Tourism and Economic Development - Revenues



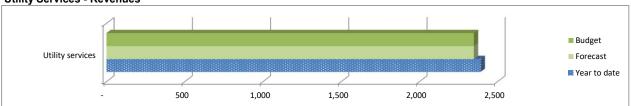
No revenues are budgeted for Tourism and Economic Development. \$3,300 in revenue has been billed so far, however. This is the rent paid by CB Marketing and a single payment of \$1,200 from VBDS prior to them closing their doors.

Tourism and Economic Development - Expenditures



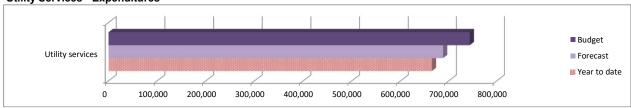
Slight overage in this department is due to more building maintenance than expected, as well as slightly higher costs for natural gas.





Slight overage in revenue is due to a small amount of recovery charges billed relating to water (\$43). Remainder of revenue is for solid waste service in Brant, which matches budget exactly.

Utility Services - Expenditures

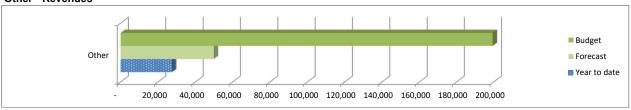


Slight cost underrun compared to forecast is mainly due to a refund on overcontributions to the Twin Valley Regional Water Commission of ~\$17,000. That refund was applied against the expense which netted some of it out.

QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

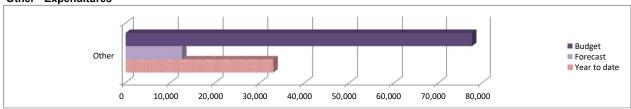
Analysis by Department - continued

Other - Revenues



The revenue here corresponds to the Town of Vulcan's contribution to the hospital expansion 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.

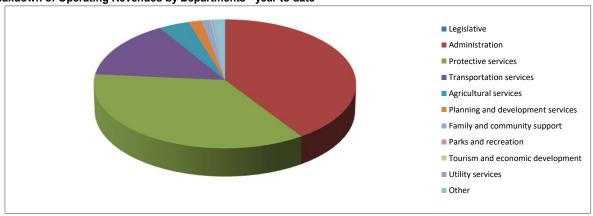
Other - Expenditures



Expenditures here generally consist of Council contingency spending and any tax discounts due to assessment appeals. Most of the expenditures here relate 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 JUNE 30, 2018

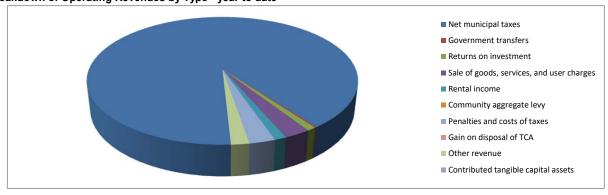
Breakdown of Operating Revenues by Departments - year to date



Department	Budget	Year to date	Budget %
Legislative	-	-	0.00%
Administration	689,050	698,158	101.32%
Protective services	825,005	614,042	74.43%
Transportation services	694,914	253,599	36.49%
Agricultural services	540,350	68,297	12.64%
Planning and development services	247,050	30,137	12.20%
Family and community support	56,407	19,201	34.04%
Parks and recreation	109,000	-	0.00%
Tourism and economic development	-	3,300	0.00%
Utility services	2,349	2,392	101.83%
Other	199,410	27,463	13.77%
	3,363,535	1,716,589	

^{*} excludes general revenues (net municipal taxes) for display purposes

Breakdown of Operating Revenues by Type - year to date

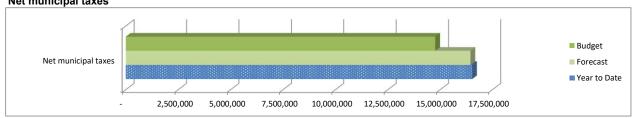


Type of revenue	Budget	Year to date	Budget %
Net municipal taxes	14,767,563	16,531,426	111.94%
Government transfers	904,705	37,693	4.17%
Returns on investment	391,536	163,491	41.76%
Sale of goods, services, and user charges	873,912	487,670	55.80%
Rental income	304,880	214,660	70.41%
Community aggregate levy	220,000	86	0.04%
Penalties and costs of taxes	125,500	480,435	382.82%
Gain on disposal of tangible capital assets	-	-	0.00%
Other revenue	258,210	332,554	128.79%
Contributed tangible capital assets	284,792	-	0.00%
•	18.131.098	18.248.015	

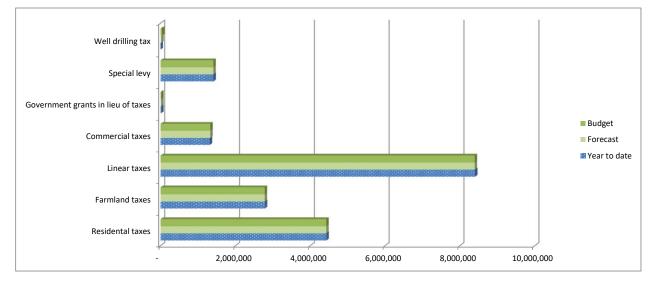
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

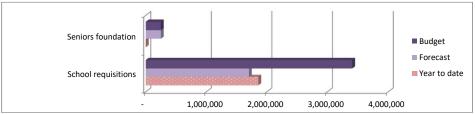
Analysis of Revenues by Type

Net municipal taxes



Supplement	Budget	Year to date	Remaining
Residental taxes	4,432,161	4,436,486	(4,325)
Farmland taxes	2,786,965	2,791,859	(4,894)
Linear taxes	8,400,097	8,409,319	(9,222)
Commercial taxes	1,330,926	1,316,776	14,150
Government grants in lieu of taxes	18,600	19,749	(1,149)
Special levy	1,415,132	1,415,882	(750)
Well drilling tax	40,000	98	39,902
	18,423,881	18,390,169	33,712
School requisitions	3,408,081	1,858,743	1,549,338
Seniors foundation	248,237	-	248,237
	14,767,563	16,531,426	(1,763,863)

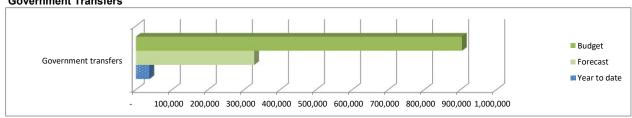




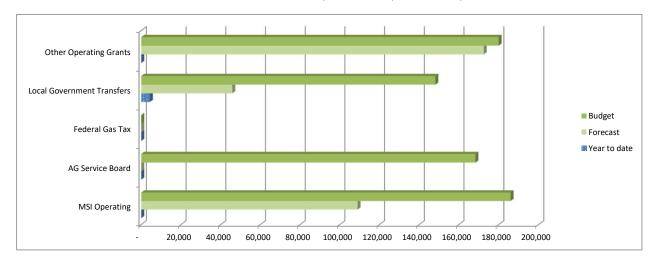
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

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	4,358	143,823
Other Operating Grants	180,000	-	180,000
	682,471	4,358	678,113



Return on Investments ■ Budget Returns on investment ■ Forecast Year to date 50,000 150,000

200,000

250,000

300,000

350,000

400,000

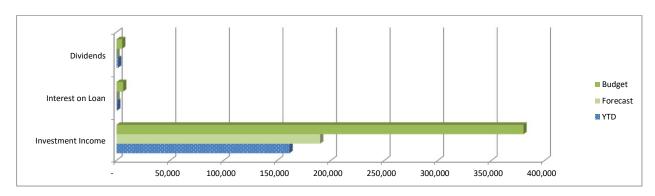
Supplement	Budget	Year to date	Remaining
Investment Income	380,000	161,423	218,577
Interest on Loan	6,236	627	5,609
Dividends	5,300	1,440	3,860
	391 536	163 491	228 045

100,000

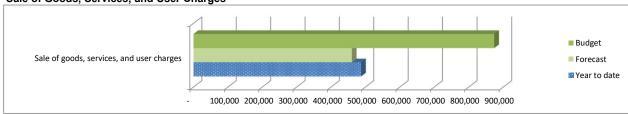
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Revenues by Type - continued

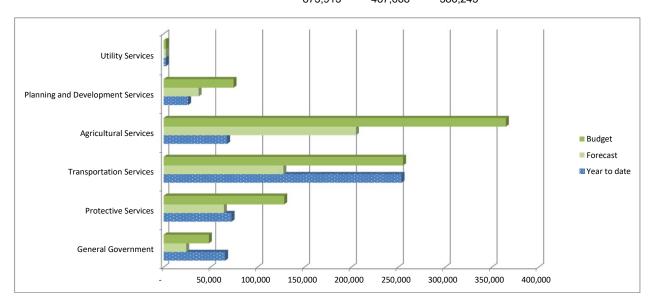
Return on Investments - continued



Sale of Goods, Services, and User Charges



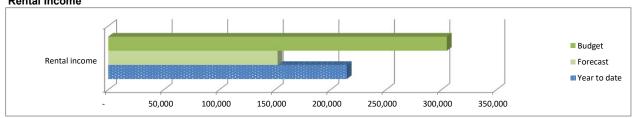
Supplement	Budget	Year to date	Remaining
General Government	48,300	65,570	(17,270)
Protective Services	128,534	72,373	56,161
Transportation Services	255,180	253,513	1,667
Agricultural Services	365,000	67,683	297,317
Planning and Development Services	74,550	26,137	48,413
Utility Services	2,349	2,392	(43)
	873,913	487,668	386,245



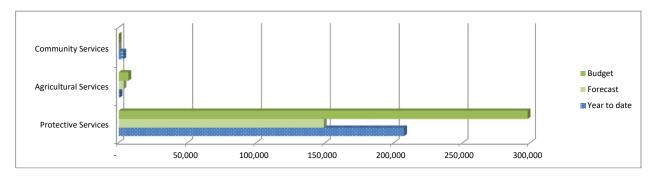
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Revenues by Type - continued

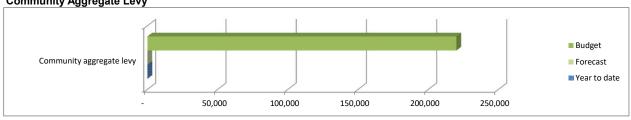




Supplement	Budget	Year to date	Remaining
Protective Services	297,880	207,243	90,637
Agricultural Services	7,000	614	6,386
Community Services	-	3,300	(3,300)
	304,880	214,661	90,219

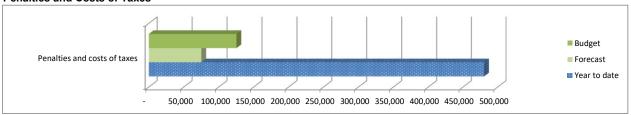


Community Aggregate Levy



Supplement	Budget	Year to date	Remaining
Community aggregate levy	220,000	86	219,914

Penalties and Costs of Taxes

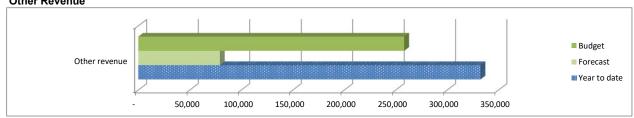


Supplement	Budget	Year to date	Remaining
Penalties on Current Taxes	50,000	245	49,755
Penalties on Tax Arrears	75,000	480,191	(405,191)
Penalties on Receivables	500	-	500
	125,500	480,435	(354,935)

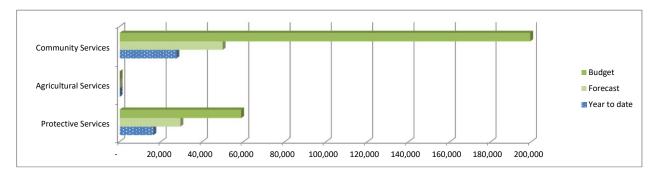
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Revenues by Type - continued

Other Revenue

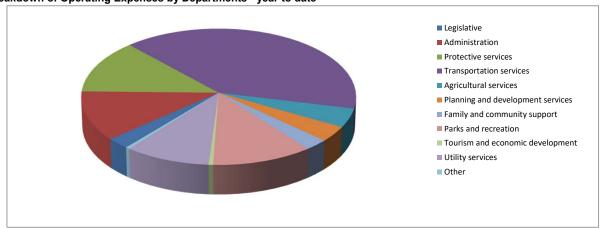


Supplement	Budget	Year to date	Remaining
Protective Services	58,800	16,300	42,500
Agricultural Services	-	-	-
Community Services	199,410	27,463	171,947
	258,210	47,763	210,447



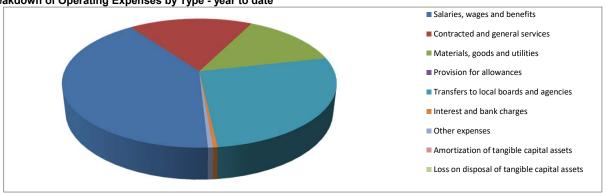
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Breakdown of Operating Expenses by Departments - year to date



Department	Budget	Year to date	Budget %
Legislative	406,332	176,682	43.48%
Administration	1,814,968	813,718	44.83%
Protective services	1,627,375	890,140	54.70%
Transportation services	5,934,918	2,826,331	47.62%
Agricultural services	740,274	310,831	41.99%
Planning and development services	819,243	251,800	30.74%
Family and community support	860,603	180,570	20.98%
Parks and recreation	779,502	783,182	100.47%
Tourism and economic development	39,911	34,688	86.91%
Utility services	743,505	664,381	89.36%
Other	77,597	32,973	42.49%
	13,844,228	6,965,296	

Breakdown of Operating Expenses by Type - year to date

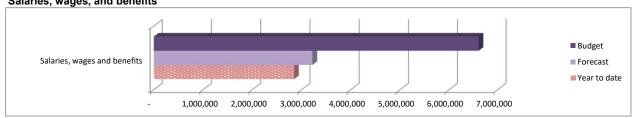


Type of expense	Budget	Year to date	Budget %
Salaries, wages and benefits	6,606,942	2,849,193	43.12%
Contracted and general services	3,405,894	1,212,548	35.60%
Materials, goods and utilities	2,993,579	978,243	32.68%
Transfers to local boards and agencies	2,479,797	1,860,710	75.03%
Interest and bank charges	66,632	31,629	47.47%
Other expenses	85,089	32,973	38.75%
Loss on disposal of tangible capital assets	-	-	0.00%
Machine expenses capitalized	(1,793,705)	-	0.00%
•	13,844,228	6,965,296	
Amortization of tangible capital assets	4,328,196	1,007	0.02%
·	18,172,424	6,966,303	

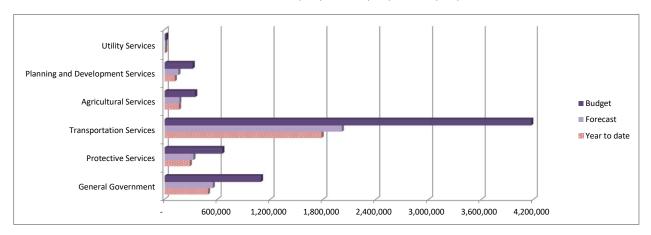
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Expenses by Type

Salaries, wages, and benefits



Supplement	Budget	Year to date	Remaining
General Government	1,094,071	492,918	601,153
Protective Services	654,925	286,825	368,100
Transportation Services	4,174,003	1,782,186	2,391,817
Agricultural Services	347,107	163,132	183,975
Planning and Development Services	318,490	115,907	202,583
Utility Services	18,345	8,226	10,119
	6,606,941	2,849,194	3,757,747

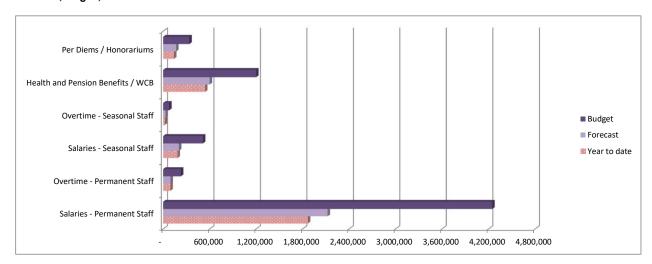


Supplement	Budget	Year to date	Remaining
Salaries - Permanent Staff	4,247,725	1,868,696	2,379,029
Overtime - Permanent Staff	228,467	93,046	135,421
Salaries - Seasonal Staff	513,956	185,518	328,437
Overtime - Seasonal Staff	77,508	20,617	56,892
Health and Pension Benefits / WCB	1,200,862	540,633	660,229
Per Diems / Honorariums	337,425	140,428	196,997
	6,605,942	2,848,938	3,757,004

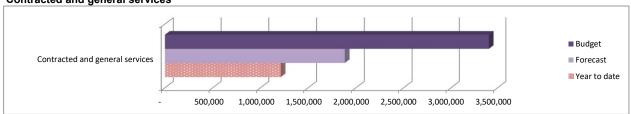
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Expenses by Type - continued

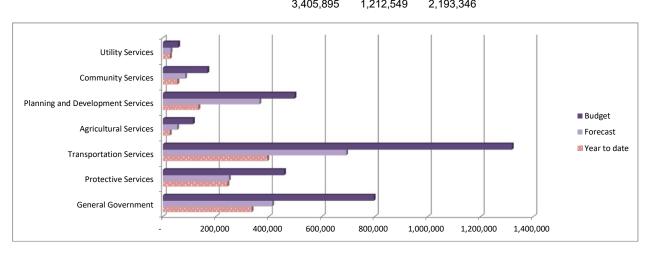
Salaries, wages, and benefits - continued



Contracted and general services



Supplement	Budget	Year to date	Remaining
General Government	795,585	334,692	460,893
Protective Services	457,404	243,405	213,999
Transportation Services	1,317,874	393,960	923,914
Agricultural Services	113,400	25,987	87,413
Planning and Development Services	496,518	133,824	362,694
Community Services	167,771	54,401	113,370
Utility Services	57,343	26,280	31,063
•	3 405 895	1 212 549	2 193 346

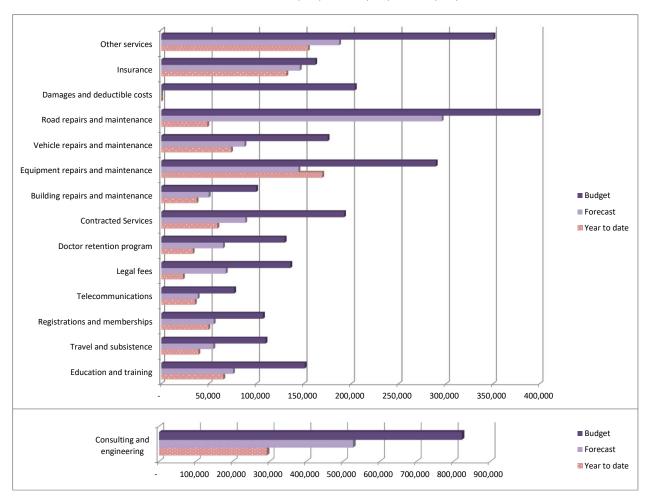


QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Expenses by Type - continued

Contracted and general services - continued

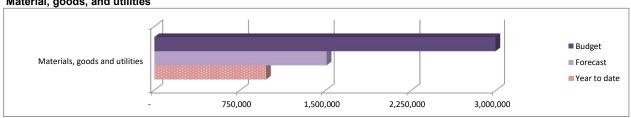
Supplement	Budget	Year to date	Remaining
Education and training	151,100	65,338	85,762
Travel and subsistence	109,789	39,130	70,659
Registrations and memberships	107,099	49,625	57,474
Telecommunications	76,846	35,371	41,475
Legal fees	135,975	22,838	113,137
Doctor retention program	130,000	33,116	96,884
Contracted Services	192,564	59,138	133,426
Consulting and engineering	822,431	292,845	529,586
Building repairs and maintenance	99,998	37,280	62,718
Equipment repairs and maintenance	289,150	169,548	119,602
Vehicle repairs and maintenance	175,273	73,485	101,788
Road repairs and maintenance	398,966	48,545	350,421
Damages and deductible costs	204,000	-	204,000
Insurance	162,199	131,794	30,404
Other services	350,504	154,494	196,010
	3,405,894	1,212,548	2,193,346



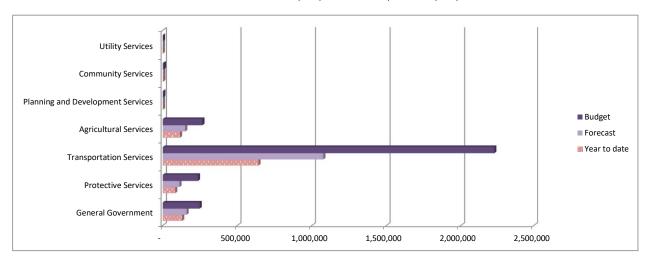
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Expenses by Type - continued

Material, goods, and utilities



Supplement	Budget	Year to date	Remaining
General Government	248,030	130,431	117,599
Protective Services	236,296	83,572	152,724
Transportation Services	2,228,747	642,186	1,586,561
Agricultural Services	266,117	115,577	150,540
Planning and Development Services	4,235	2,068	2,167
Community Services	8,415	4,040	4,375
Utility Services	1,740	366	1,374
	2,993,580	978,240	2,015,340

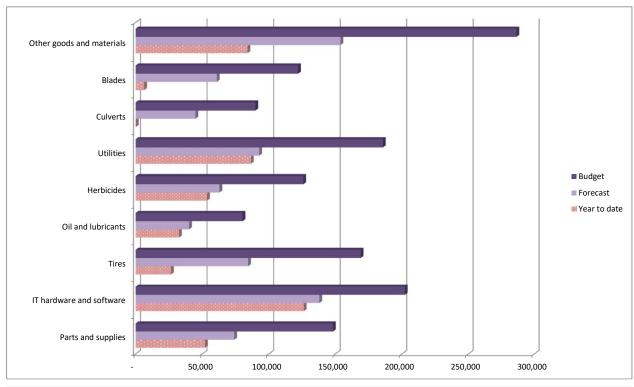


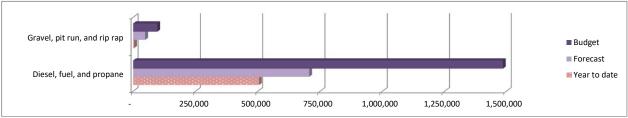
Supplement	Budget	Year to date	Remaining
Parts and supplies	148,249	52,122	96,126
IT hardware and software	202,274	126,388	75,886
Diesel, fuel, and propane	1,486,218	505,153	981,065
Tires	169,103	26,649	142,455
Oil and lubricants	80,368	32,681	47,687
Gravel, pit run, and rip rap	96,949	4,132	92,817
Herbicides	126,000	53,711	72,289
Utilities	185,784	86,668	99,116
Culverts	90,000	227	89,773
Blades	122,064	6,456	115,608
Other goods and materials	286,570	84,057	202,513
	2,993,579	978,243	2,015,336

QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Expenses by Type - continued

Material, goods, and utilities - continued

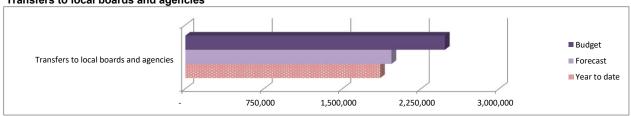




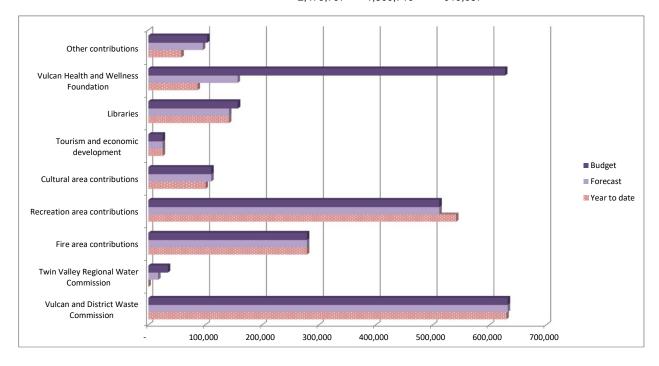
QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

Analysis of Expenses by Type - continued

Transfers to local boards and agencies



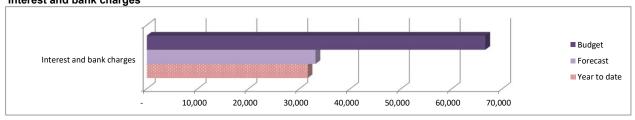
Supplement	Budget	Year to date	Remaining
Vulcan and District Waste Commission	631,949	629,600	2,349
Twin Valley Regional Water Commission	34,128	(90)	34,218
Fire area contributions	278,750	278,750	-
Recreation area contributions	511,686	541,003	(29,318)
Cultural area contributions	110,542	100,542	10,000
Tourism and economic development	25,000	25,000	-
Libraries	157,275	141,637	15,638
Vulcan Health and Wellness Foundation	627,224	86,383	540,841
Other contributions	103,244	57,885	45,359
	2.479.797	1.860.710	619.087



QUARTERLY OPERATING REPORT PERIOD ENDED JUNE 30, 2018

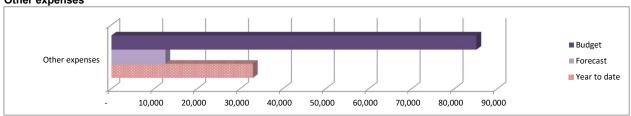
Analysis of Expenses by Type - continued

Interest and bank charges



Supplement	Budget	Year to date	Remaining
Interest and bank charges	66,632	31,629	35,003

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	1,195	63,805
Other expenses	7,491	31,778	(24,287)
	85.089	32.973	52.116

