

QUARTERLY OPERATING REPORT

PERIOD ENDED SEPTEMBER 30, 2018

QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

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Note

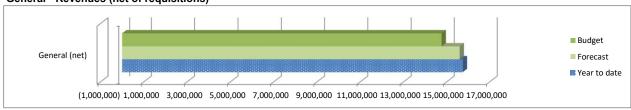
For display purposes, amortization expense of capital assets has been removed from the departmental expenditures, as this is a non-cash transaction and is only recorded at yearend. The approved budget is also displayed with amortization removed.

The quarterly operating reporting includes the financial information for the nine (9) months ending September 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 3rd 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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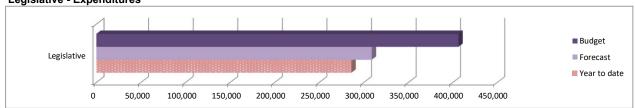
Analysis by Department

General - Revenues (net of requisitions)



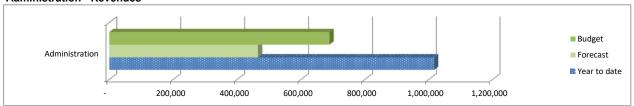
Actual tax revenues are very close to forecasted revenues. Actuals are slightly higher than budget because the 4th quarter school requisitions have not yet been received. Once they are, revenue net of requisitions will be very close to budget.

Legislative - Expenditures



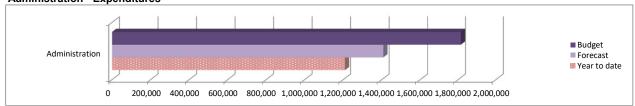
Variance between actual and forecasted expenditure is mainly due to the timing of receipt of Council per diems and reimbursement requests. These are typically recorded in the period received.

Administration - Revenues



Actual revenues recorded are significantly higher than forecast for the third 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 allocated to one single account elsewhere in the budget, 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.

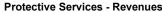
Administration - Expenditures

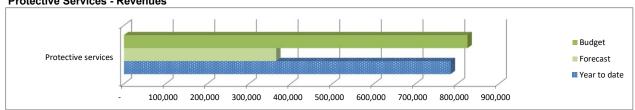


Actual expenditure is below forecast due to three factors. First, approximately \$53,000 less was spent on outside consultants and professional services than expected. Second, about \$39,000 less was spent on software than anticipated. Third, wage expenses were about \$26,000 less than expected. Some of the consulting and software costs are expected to be realized in the 4th quarter.

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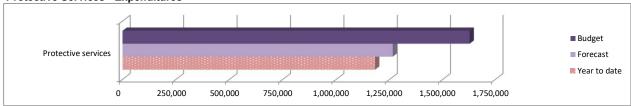
Analysis by Department - continued





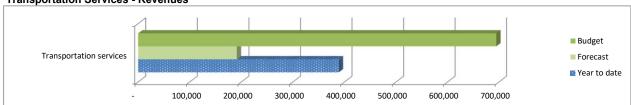
Actual revenues are higher than forecast mainly due to the Town of Vulcan's contribution to a County fire apparatus. This revenue was budgeted for on the capital side, but accounting standards require us to report the operating revenue for the contribution, then an offsetting transfer (operating expense) 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. Another unexpected revenue was a payment from the RCMP for their share of repairs and maintenance to the building as agreed to in their rental agreement. This payment covered the last 4 years since the last report on it they received was in 2014.

Protective Services - Expenditures



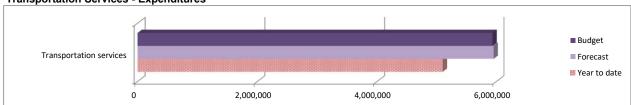
Actual expenditure is less than forecast, partly due to lower honorariums and low usage of the County's boot allowance through the third quarter. Another factor was that the County's second CPO was hired part-way through the year, resulting in lower salary expense than budget.

Transportation Services - Revenues



Transportation revenues are above forecast for three main reasons: The community aggregate levy is billed twice a year now rather than just at year end (forecast will be corrected for 2019), more sales of materials than expected (\$36,000 more), and approximately \$55,000 more recovery charges were billed. The recovery charges largely relate to dust abatement application.

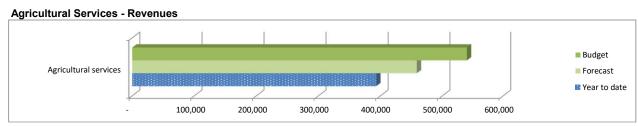
Transportation Services - Expenditures



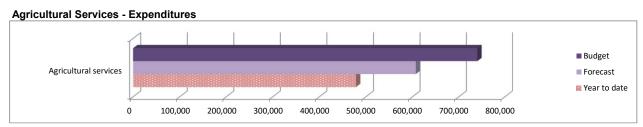
Actual expenditure is lower than forecast. Similar to Protective Services, the bulk of expenditure in Transportation generally comes during the months of May to October so actuals are expected to 'catch up' to the forecast as the year proceeds. Materials, goods, and supplies are significantly less than forecast (~\$568,000 less) which reflects low usage of fuel, auto parts, and other consumables. Much of this variance is expected to be corrected with the year end inventory adjustment.

QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis by Department - continued

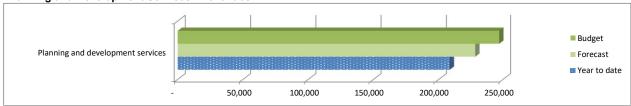


Variance between actual and forecast is mainly due to the revenue from surface rights and right-of-way leases being recorded later in the year - an adjustment is performed as part of the year end process. Additionally, about \$19,000 less was sold of materials for pest control.



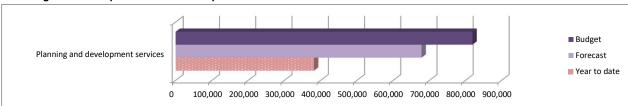
Actual expense is below forecast due to a lower than forecast usage of various supplies (about \$69,000 less). Most notably was a significant cost reduction for herbicides through the 3rd quarter as compared to forecast (\$35,000 less).

Planning and Development Services - Revenues



The majority of the shortfall of revenue compared to forecast is from 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.

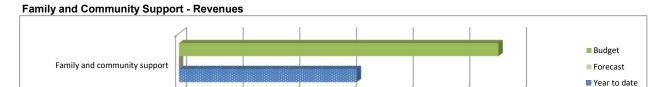
Planning and Development Services - Expenditures



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 and ortho project 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 SEPTEMBER 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 \$31,000 which is not specifically budgeted for. Revenue from the doctor retention program is typically recognized in the fourth quarter.

30,000

40,000

50,000

60,000

20,000

10,000

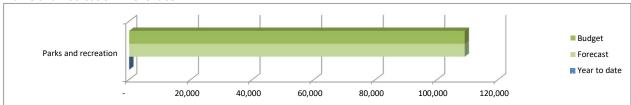
Family and Community Support - Expenditures

Family and community support

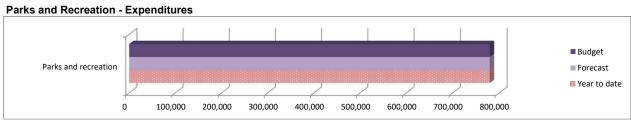
0 100,000 200,000 300,000 400,000 500,000 600,000 700,000 800,000 900,000

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 the accounting entries completed for the third quarter regarding 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 matches budget.

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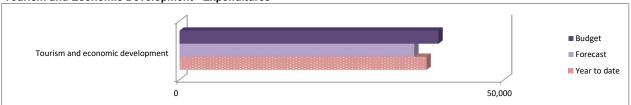
Analysis by Department - continued

Tourism and Economic Development - Revenues



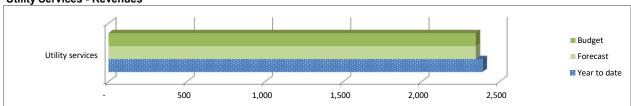
No revenues are budgeted for Tourism and Economic Development. \$3,600 in revenue has been billed so far, however. This is the rent paid by CB Marketing and a single payment of \$1,200 from VBDS prior to them closing their doors.

Tourism and Economic Development - Expenditures



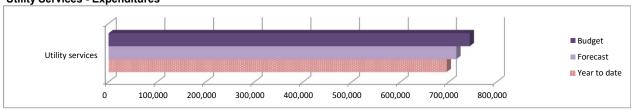
Slight overage in this department is due to more building maintenance than expected.

Utility Services - Revenues



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

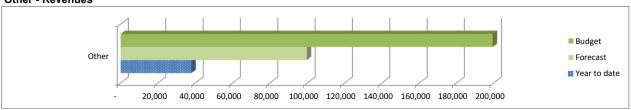


Slight cost underrun compared to forecast is mainly due to a refund on overcontributions to the Twin Valley Regional Water Commission of ~\$17,000. That refund was applied against the expense which netted some of it out.

QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

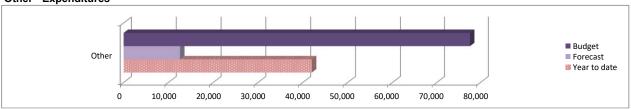
Analysis by Department - continued

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.

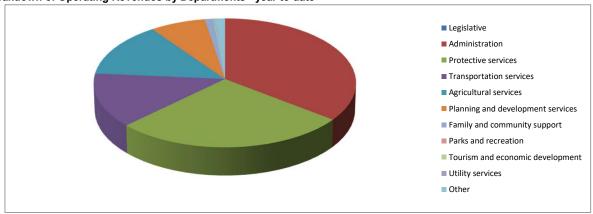
Other - Expenditures



Expenditures here generally consist of Council contingency spending and any prior period adjustments. 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 SEPTEMBER 30, 2018

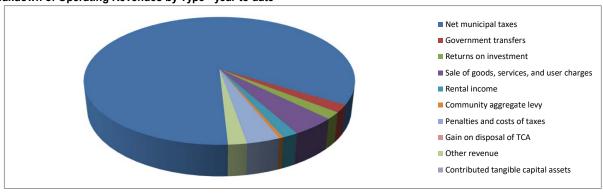
Breakdown of Operating Revenues by Departments - year to date



Department	Budget	Year to date	Budget %
Legislative	-	-	0.00%
Administration	689,050	1,016,073	147.46%
Protective services	825,005	784,773	95.12%
Transportation services	694,914	389,290	56.02%
Agricultural services	540,350	393,090	72.75%
Planning and development services	247,050	208,530	84.41%
Family and community support	56,407	31,383	55.64%
Parks and recreation	109,000	-	0.00%
Tourism and economic development	-	3,600	0.00%
Utility services	2,349	2,392	101.83%
Other	199,410	37,855	18.98%
	3.363.535	2.866.986	

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

Breakdown of Operating Revenues by Type - year to date

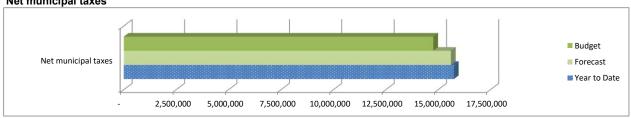


Type of revenue	Budget	Year to date	Budget %
Net municipal taxes	14,767,563	15,751,219	106.66%
Government transfers	904,705	350,730	38.77%
Returns on investment	391,536	321,404	82.09%
Sale of goods, services, and user charges	873,912	842,958	96.46%
Rental income	304,880	295,402	96.89%
Community aggregate levy	220,000	82,056	37.30%
Penalties and costs of taxes	125,500	625,674	498.55%
Gain on disposal of tangible capital assets	-	50	0.00%
Other revenue	258,210	348,712	135.05%
Contributed tangible capital assets	284,792	-	0.00%
	18,131,098	18,618,205	

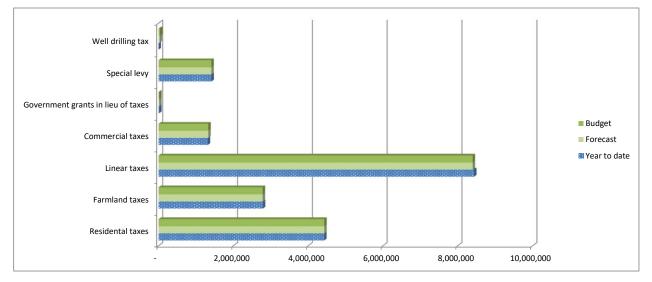
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

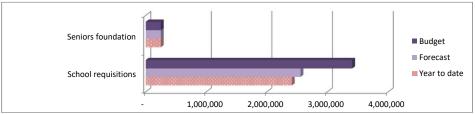
Analysis of Revenues by Type

Net municipal taxes



Supplement	Budget	Year to date	Remaining
Residental taxes	4,432,161	4,431,058	1,103
Farmland taxes	2,786,965	2,791,859	(4,894)
Linear taxes	8,400,097	8,437,982	(37,885)
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	1,415,239	(107)
Well drilling tax	40,000	129	39,871
	18,423,881	18,412,792	11,089
School requisitions	3,408,081	2,413,336	994,745
Seniors foundation	248,237	248,237	
	14,767,563	15,751,219	(983,656)

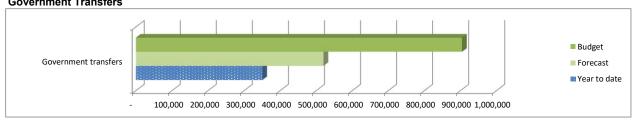




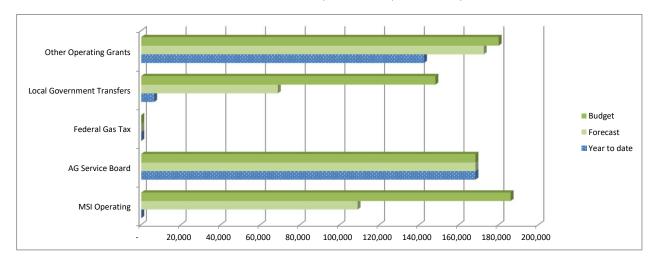
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

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	168,359	(9)
Federal Gas Tax	-	-	-
Local Government Transfers	148,181	6,536	141,645
Other Operating Grants	180,000	142,500	37,500
	682,471	317,395	365,076



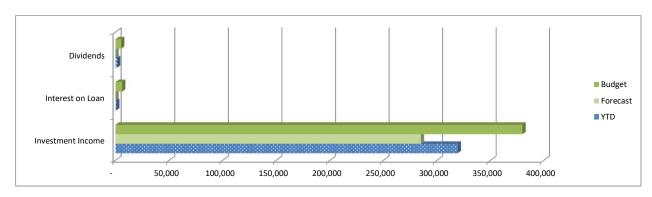
Return on Investments ■ Budget Returns on investment ■ Forecast Year to date 150,000 50,000 100,000 200,000 250,000 300,000 350,000 400,000

Supplement	Budget	Year to date	Remaining
Investment Income	380,000	319,336	60,664
Interest on Loan	6,236	627	5,609
Dividends	5,300	1,440	3,860
	391 536	321 404	70 132

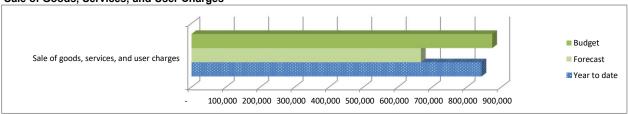
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Revenues by Type - continued

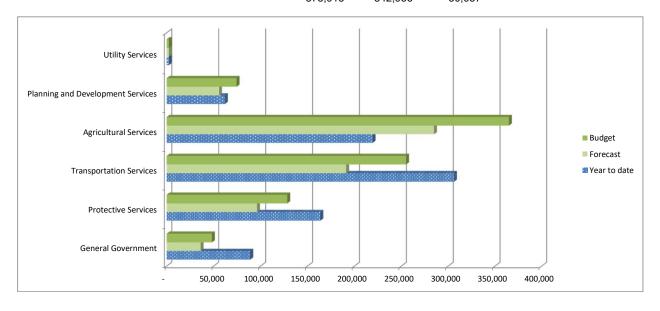
Return on Investments - continued



Sale of Goods, Services, and User Charges



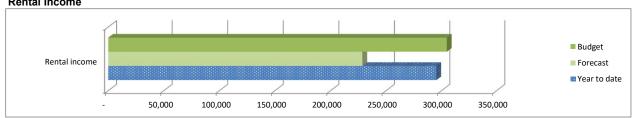
Supplement	Budget	Year to date	Remaining
General Government	48,300	89,136	(40,836)
Protective Services	128,534	163,769	(35,235)
Transportation Services	255,180	306,183	(51,003)
Agricultural Services	365,000	219,445	145,555
Planning and Development Services	74,550	62,031	12,519
Utility Services	2,349	2,392	(43)
	873.913	842.956	30.957



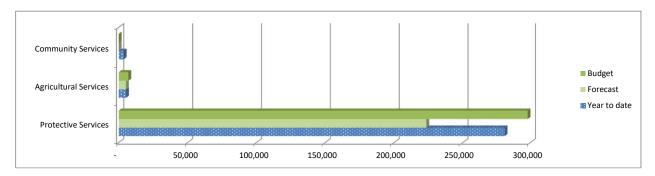
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Revenues by Type - continued

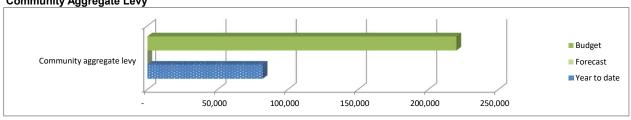




Supplement	Budget	Year to date	Remaining
Protective Services	297,880	280,813	17,067
Agricultural Services	7,000	5,286	1,714
Community Services		3,600	(3,600)
	304,880	294,403	10,477

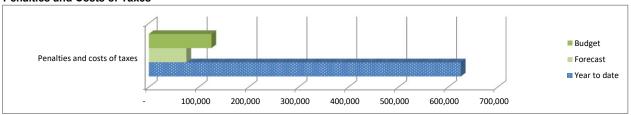


Community Aggregate Levy



Supplement	Budget	Year to date	Remaining
Community aggregate levy	220,000	82,056	137,944

Penalties and Costs of Taxes

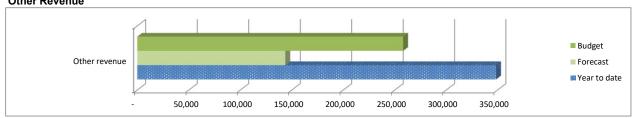


Supplement	Budget	Year to date	Remaining
Penalties on Current Taxes	50,000	145,279	(95,279)
Penalties on Tax Arrears	75,000	480,191	(405,191)
Penalties on Receivables	500	204	296
	125,500	625,674	(500,174)

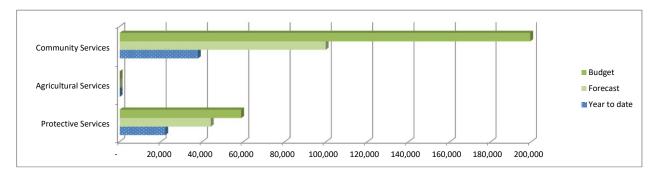
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Revenues by Type - continued

Other Revenue

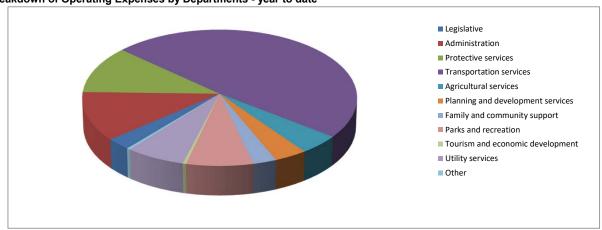


Supplement	Budget	Year to date	Remaining
Protective Services	58,800	22,066	36,734
Agricultural Services	-	-	-
Community Services	199,410	37,855	161,555
	258,210	64,921	193,289



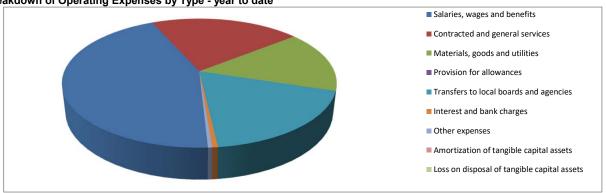
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Breakdown of Operating Expenses by Departments - year to date



Department	Budget	Year to date	Budget %
Legislative	406,332	286,071	70.40%
Administration	1,814,968	1,209,694	66.65%
Protective services	1,627,375	1,181,945	72.63%
Transportation services	5,934,918	5,099,502	85.92%
Agricultural services	740,274	478,805	64.68%
Planning and development services	819,243	381,781	46.60%
Family and community support	860,903	274,622	31.90%
Parks and recreation	779,502	779,501	100.00%
Tourism and economic development	39,911	38,086	95.43%
Utility services	743,505	695,348	93.52%
Other	77,597	41,995	54.12%
	13,844,528	10,467,350	

Breakdown of Operating Expenses by Type - year to date

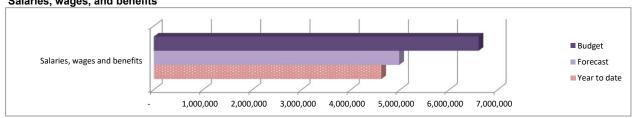


Type of expense	Budget	Year to date	Budget %
Salaries, wages and benefits	6,606,942	4,618,888	69.91%
Contracted and general services	3,405,894	2,201,029	64.62%
Materials, goods and utilities	2,993,879	1,621,629	54.16%
Transfers to local boards and agencies	2,479,797	1,924,559	77.61%
Interest and bank charges	66,632	59,250	88.92%
Other expenses	85,089	41,995	49.35%
Loss on disposal of tangible capital assets	-	-	0.00%
Machine expenses capitalized	(1,793,705)	-	0.00%
	13,844,528	10,467,350	
Amortization of tangible capital assets	4,328,196	1,007	0.02%
•	18,172,724	10,468,357	

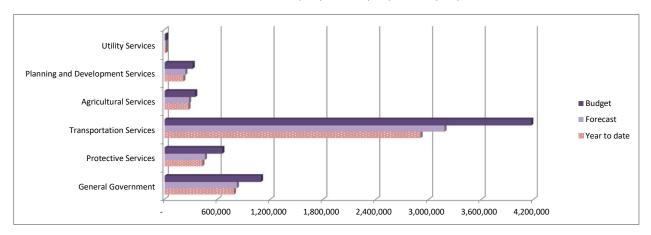
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Expenses by Type

Salaries, wages, and benefits



Supplement	Budget	Year to date	Remaining
General Government	1,094,071	787,719	306,352
Protective Services	654,925	428,093	226,832
Transportation Services	4,174,003	2,905,969	1,268,034
Agricultural Services	347,107	270,466	76,641
Planning and Development Services	318,490	213,686	104,804
Utility Services	18,345	12,955	5,390
	6,606,941	4,618,888	1,988,053

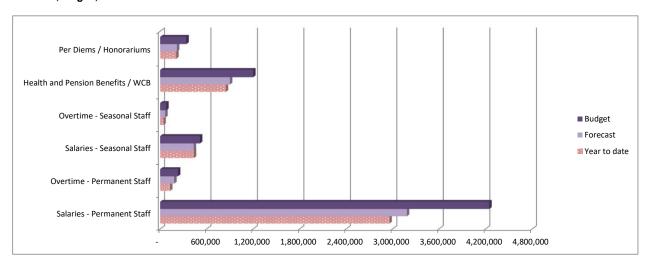


Supplement	Budget	Year to date	Remaining
Salaries - Permanent Staff	4,247,725	2,960,846	1,286,879
Overtime - Permanent Staff	228,467	127,897	100,569
Salaries - Seasonal Staff	513,956	434,291	79,665
Overtime - Seasonal Staff	77,508	41,535	35,973
Health and Pension Benefits / WCB	1,200,862	847,520	353,342
Per Diems / Honorariums	337,425	206,543	130,882
	6,605,942	4,618,633	1,987,310

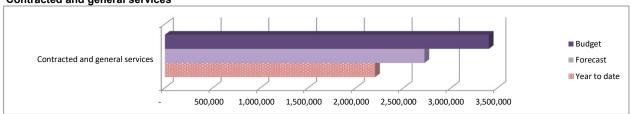
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Expenses by Type - continued

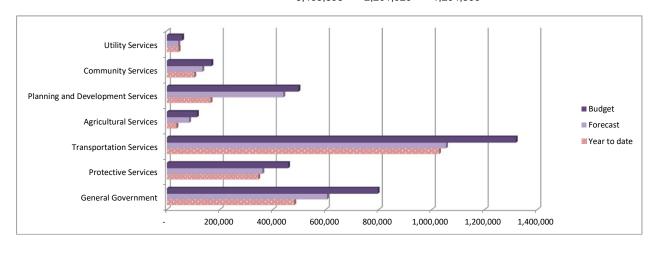
Salaries, wages, and benefits - continued



Contracted and general services



Supplement	Budget	Year to date	Remaining
General Government	795,585	480,688	314,897
Protective Services	457,404	344,926	112,478
Transportation Services	1,317,874	1,027,083	290,791
Agricultural Services	113,400	35,837	77,563
Planning and Development Services	496,518	164,951	331,567
Community Services	167,771	103,321	64,450
Utility Services	57,343	44,223	13,120
•	3 405 895	2 201 029	1 204 866

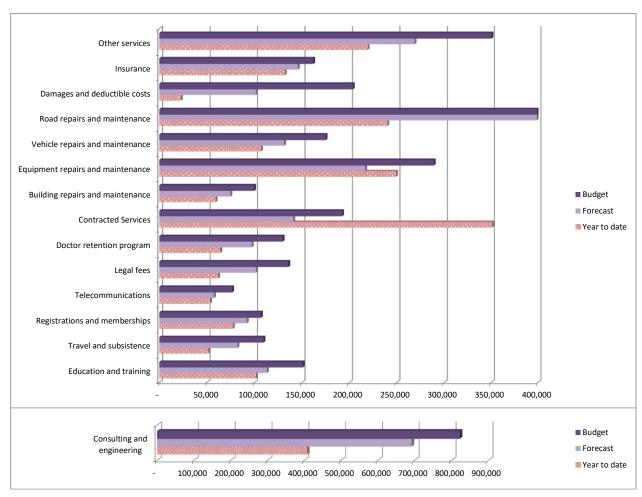


QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Expenses by Type - continued

Contracted and general services - continued

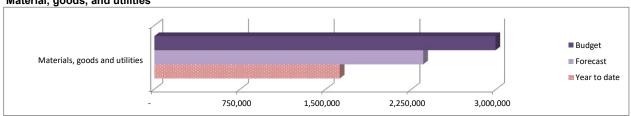
Supplement	Budget	Year to date	Remaining
Education and training	151,100	101,933	49,167
Travel and subsistence	109,789	51,844	57,945
Registrations and memberships	107,099	77,472	29,628
Telecommunications	76,846	53,544	23,302
Legal fees	135,975	61,972	74,003
Doctor retention program	130,000	64,363	65,637
Contracted Services	192,564	351,522	(158,958)
Consulting and engineering	822,431	407,752	414,679
Building repairs and maintenance	99,998	59,382	40,616
Equipment repairs and maintenance	289,150	249,355	39,794
Vehicle repairs and maintenance	175,273	107,172	68,101
Road repairs and maintenance	398,966	240,181	158,786
Damages and deductible costs	204,000	22,768	181,232
Insurance	162,199	132,224	29,975
Other services	350,504	219,545	130,959
	3,405,894	2,201,029	1,204,865



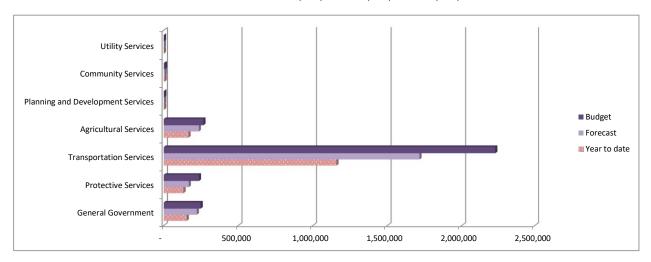
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Expenses by Type - continued

Material, goods, and utilities



Supplement	Budget	Year to date	Remaining
General Government	248,030	154,483	93,547
Protective Services	236,296	132,442	103,854
Transportation Services	2,228,747	1,158,451	1,070,296
Agricultural Services	266,117	166,367	99,750
Planning and Development Services	4,235	3,144	1,091
Community Services	8,715	5,702	3,013
Utility Services	1,740	1,041	699
	2,993,880	1,621,630	1,372,250

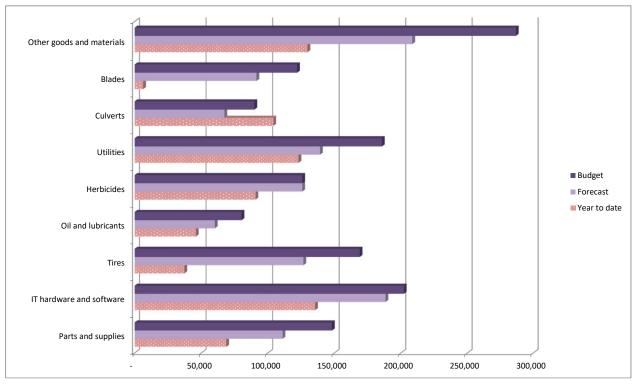


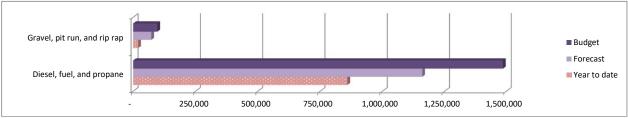
Supplement	Budget	Year to date	Remaining
Parts and supplies	148,249	68,832	79,417
IT hardware and software	202,274	135,603	66,671
Diesel, fuel, and propane	1,486,218	859,200	627,018
Tires	169,103	37,397	131,706
Oil and lubricants	80,368	46,058	34,310
Gravel, pit run, and rip rap	96,949	20,004	76,945
Herbicides	126,000	90,821	35,179
Utilities	185,784	123,164	62,620
Culverts	90,000	104,196	(14,196)
Blades	122,064	6,456	115,608
Other goods and materials	286,870	129,898	156,972
	2,993,879	1,621,629	1,372,250

QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Expenses by Type - continued

Material, goods, and utilities - continued

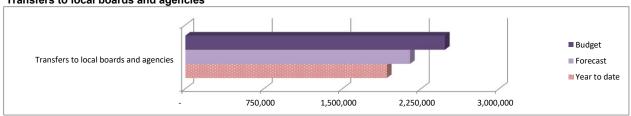




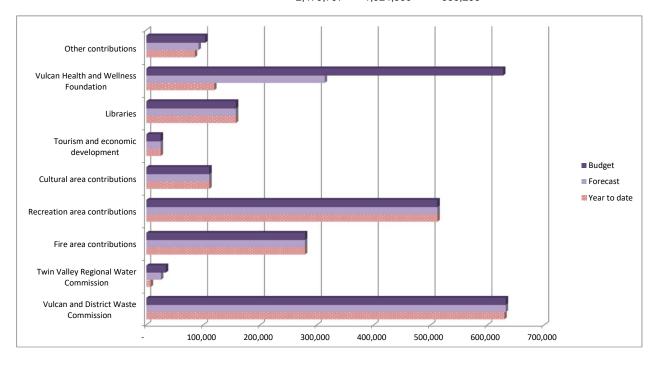
QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

Analysis of Expenses by Type - continued

Transfers to local boards and agencies

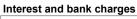


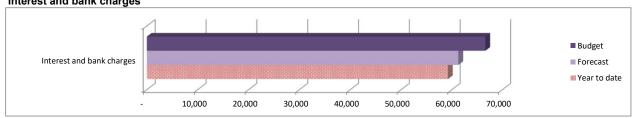
Supplement	Budget	Year to date	Remaining
Vulcan and District Waste Commission	631,949	629,600	2,349
Twin Valley Regional Water Commission	34,128	7,529	26,599
Fire area contributions	278,750	278,750	-
Recreation area contributions	511,686	511,686	-
Cultural area contributions	110,542	110,542	-
Tourism and economic development	25,000	25,000	-
Libraries	157,275	157,274	1
Vulcan Health and Wellness Foundation	627,224	119,068	508,156
Other contributions	103,244	85,111	18,133
	2,479,797	1,924,559	555,238



QUARTERLY OPERATING REPORT PERIOD ENDED SEPTEMBER 30, 2018

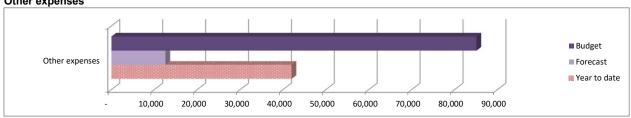
Analysis of Expenses by Type - continued





Supplement	Budget	Year to date	Remaining
Interest and bank charges	66,632	59,250	7,382

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	9,006	55,994
Other expenses	7,491	32,989	(25,498)
	85.089	41.995	43.094

