

Financial Support

Led by: Director of Finance/City Treasurer

Service Description

This service provides sound leadership in financial planning & budgeting, reporting, cash-flow forecasting, measuring services' financial performance and monitoring adherence to financial plans.

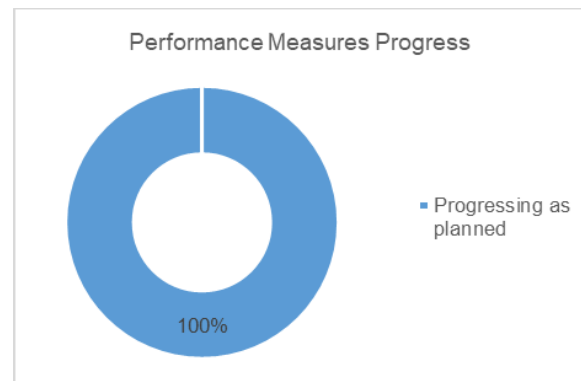
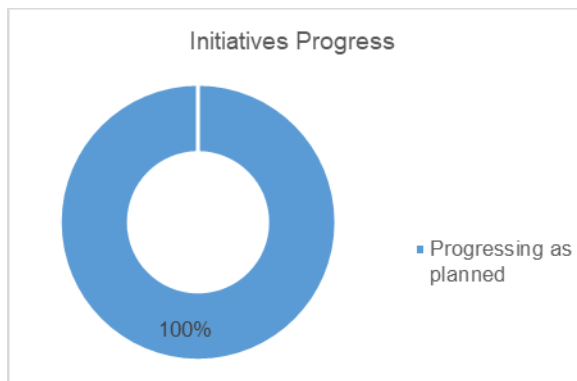
This service also provides investment management, non-tax revenue billing and collection, and payments for goods and services provided to The City.

Service Updates

Key service results

1. An independent review of The City's investment strategies, governance framework and controls was completed in February 2024 with the results presented to Audit Committee in June. The report concludes that The City has established a robust framework of policies, procedures, and practices to ensure prudent, transparent, and accountable management of investment activities, ultimately aiming to maximize long-term returns while effectively managing risks. It was noted that The City exceeds best practices by recognizing the importance of regularly reviewing and adapting its governance to ensure continued adherence to industry standards.
2. The City closed its first Municipal Bond in the Canadian debt capital markets on March 15, 2024 obtaining a lower interest rate than its traditional borrowing option through the Province. What this means is \$1.6 million in interest savings annually over the next 10 years to help make Calgary more affordable and will enable additional capital project investments in the community. Council approved the new Capital Debt Borrowing Option in October 2023, allowing The City to use Municipal Bonds as an additional borrowing option to fund projects.

Progress summary



Risk(s) impacting the progress

Capital Funding and Financing Risk

Risk of Workforce Retention and Recruitment



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

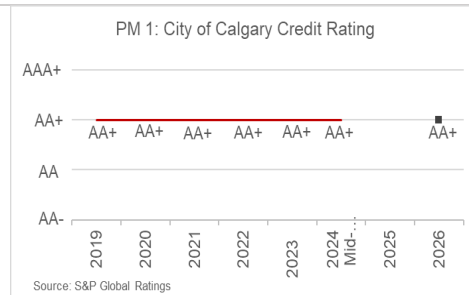
➡ Progressing as planned

⬅ Not progressing as planned

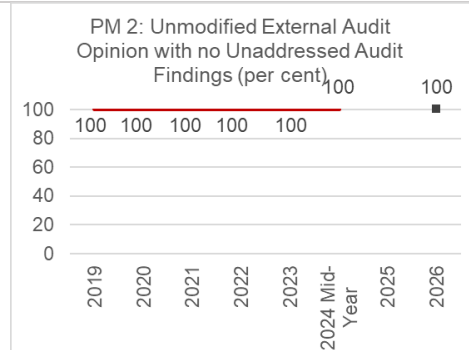
Performance Measures

Story behind the numbers

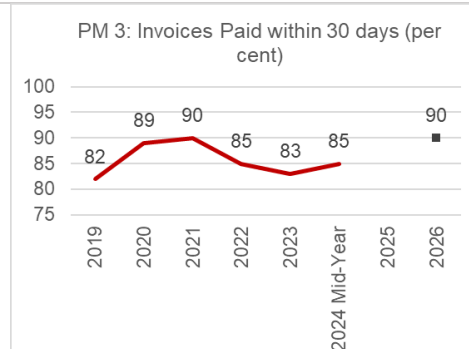
Status



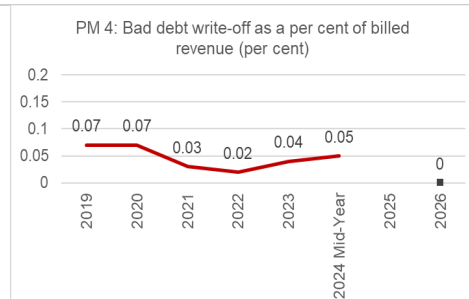
We continue to have one of the best municipal credit ratings in Canada. The City maintained its AA+ and AA (high) ratings with S&P Global Ratings and Morningstar DBRS respectively, with strong financial management practices and proven capacity to enact prudent fiscal policies and plans to respond to external risks cited as key contributors



The City strives for an unmodified opinion issued annually by the external auditor, which was achieved with no unaddressed audit findings reported again this year. This is based on audit evidence obtained about the amounts and disclosures of the financial statements which are completed competently with a focus on implementation of new Public Sector Accounting Standards.

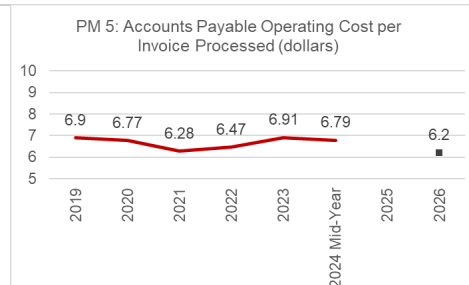


Accounts Payable's standard is to pay invoices on time and not within a set number of days. While a payment term of 30 days is common, there are often other payment terms attached to invoices. Per cent of invoices paid within 30 days should be viewed as a guide to the magnitude and direction of timely payments made by Accounts Payable but it does not completely reflect The City's commitment to timely payment.



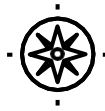
The collaborative and solutions-focused approach to managing financial and reputational risk associated with outstanding corporate receivables continues to be effective.

As of 2024 June 30, total write-offs of approximately \$122 thousand were recognized against total billed revenue of approximately \$223.7 million.



Performance results for accounts payable remain consistent with those of recent years. While there are minor variations from year-to-year, the results continue to reflect accounts payable's ongoing commitment to efficient processing with existing resources while managing the increasing volume of payments to The City's partners in our community.





Progress on Service Delivery

PROGRESS STATUS



Completed



Progressing as planned



Not progressing as planned



Not started











FUNDING TYPE



Capital



Operating

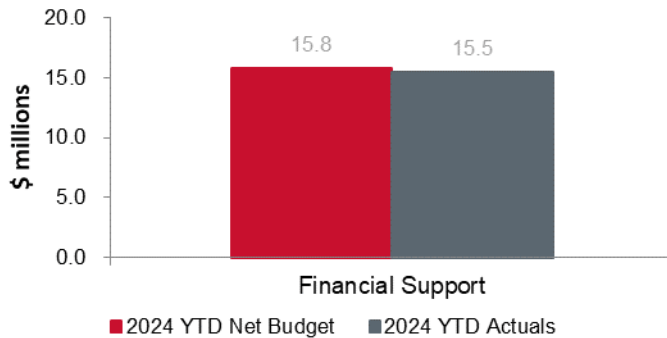
Initiative 1		Impact Area: Not applicable	Funding Type: 
Implementation of prudent investment strategies and preventative internal controls to mitigate risk to ensure The City's economic assets are safeguarded for long-term sustainability.			
UPDATE 	Independent investment governance review determined that The City has established a robust framework of policies, procedures, and practices to ensure prudent, transparent, and accountable management of investment activities, ultimately aiming to maximize long-term returns while effectively managing risks.		
Initiative 2		Impact Area: Not applicable	Funding Type: 
Support The City's financial sustainability by monitoring and responding to the changing economic and political environment.			
UPDATE 	Through the Corporate Economics and Regulatory Affairs team, constant monitoring and updates were provided on changing economic, market and political environments, and insights on key economic indicators, including inflation, employment, and housing activities, through monthly and quarterly reports.		
Initiative 3		Impact Area: Not applicable	Funding Type: 
Ensure Finance support can be efficient and effective now and in the future by prioritizing process and system improvements.			
UPDATE 	Ongoing evaluation of current systems and processes to further enhance ability to support the organization and automate tasks enabling more effective and efficient service delivery.		
Initiative 4		Impact Area: Not applicable	Funding Type: 
Minimize The City's financial risk by providing analysis, preparing reports, and make recommendations to operations that support decision-making.			
UPDATE 	Implementation of the new monthly Executive Information Report (EIR) format commenced in March 2024, reporting February's results. This updated reporting format creates a high-level financial report that highlights the financial position for The City. An additional outcome of the revised EIR is the development of a financial report that could be distributed in a timelier manner to support financial decision making within the current year of reporting.		
Initiative 5		Impact Area: Not applicable	Funding Type: 
Support and inform the Executive Leadership Team and Council decision-making by preparing a comprehensive suite of financial reports.			
UPDATE 	Financial Support continues to provide analysis and reports, such as the Operating and Capital Budgets, financial analysis of Major Capital Projects, Financial Capacity, Long Range Financial Plan, and reporting The City's Reserve activities to inform Executive Leadership Team and Council decision making with an ongoing focus to develop a suite of financial reports.		

Initiative 6		Impact Area: Not applicable	Funding Type: 
Attract and retain staff to make Finance with The City a long-term career choice by creating a rewarding, respectful environment that fosters career development, learning opportunities and team collaboration.			
UPDATE 	In addition to the monthly lunch & learn sessions hosted by the Finance Staff Development team, employees are encouraged to participate in courses offered by the Corporate Learning & Development team. Finance coordinated a formal mentorship program within the business unit that paired a Manager/Leader with a Finance employee. Psychological Safety strategies and enhanced focus on Anti-Racism and Equity, Diversity, Inclusion and Belonging in our workplace is ongoing.		
Initiative 7		Impact Area: Not applicable	Funding Type: 
Increase capacity and support employee growth by introducing cross-training, developing cross-functional positions, where possible and consolidating work functions to find efficiencies.			
UPDATE 	A review of the FSCM/HCM systems has commenced to identify optimization opportunities through the engagement of an external third party.		
Initiative 8		Impact Area: Not applicable	Funding Type: 
Develop a Financial Support delivery model that aligns with the expectations of Council and our customers.			
UPDATE 	In response to customer feedback, Finance continues to evolve its service provision to ensure expectations of timely and meaningful information is delivered through the development of a comprehensive suite of financial reports and implementation of process efficiencies.		



Service Updates on Financial Performance

**Net Operating Budget and Actuals
as of June 30, 2024**

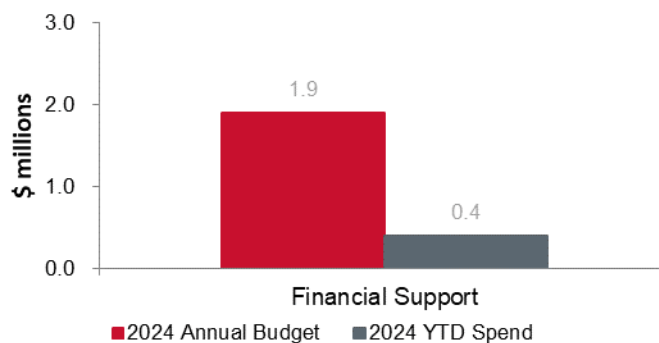


Operating Budget Updates - 2024 YTD net operating budget vs actuals:

Service Financial Support has a favourable operating variance of \$0.3 million. The main reasons that have contributed to the variance are favourable variance in salary and wages of \$0.4 million due to vacancies; partially offset by unfavourable variance of (\$0.1) million in communications expenses due to higher than budgeted communications expenses.

During the year a new Executive Information Report (EIR) format, started which provides high-level financial summaries to aid in timely financial decision-making. Continuous assessing and enhancing systems to improve support and automate tasks for more effective service delivery. Additionally, a review of the FSCM/HCM systems has begun to identify optimization opportunities with the help of an external third party.

**Capital Budget and Spend as of June 30,
2024**



Capital Budget Updates - 2024 total capital budget vs 2024 YTD spend:

The Financial Support service line capital spent on capital projects is at 20 per cent due to resource constraints and competing priorities.

The Request for Proposal (RFP) for a Treasury system is ongoing. Procurement costs will be determined upon vendor selection and are expected to be minimal, with onboarding and integration typically included in the annual licensing fee.

The Hyperion application upgrade, part of the Finance Transformation Program, is complete. The remaining budget will support the ongoing Enterprise Performance Management (EPM) assessment and implementation, expected to finish this fiscal year. The PeopleSoft Approval Workflow Engine (AWE) expansion is in the investigative phase, with business requirements due by Q2 2025. Phase 3, involving configuration in PeopleSoft Financials and Supply Chain Management (FSCM), will start in Q3 2025.

The Tangible Capital Asset (TCA) Re-design project, encompassing Phases 1 and 2, aims to develop a sustainable systems solution for the TCA group and is scheduled for completion by 2026. The TCA Costing project, with a budget of \$0.6M, focuses on automating supporting schedules for May, September, and Year-End Reporting.

The implementation of the Asset Retirement Obligation (ARO) Accounting Standard was successfully delivered for the year ending December 31, 2023. Work will continue into Q3 and Q4 of 2024, with 50% of the allocated budget expected to be utilized by year-end, extending into 2025.

The Financial Statement Consolidation Project supports Finance's modernization efforts. Recruitment for an expert is complete with a budget spend of 50 per cent expected by year-end, continuing into 2025 and beyond.