



**The Corporation of the Municipality
Staff Report**

**Office of the Deputy Treasurer
Manuela Batovanja**

Prepared For: Mayor and Council	Report No.: MB 2021-10
Date: October 19, 2021	File No.: 9.50.2

Purpose of Report

The purpose of this report is to provide Council with a third quarter financial review.

Analysis

In addition to highlighting some key balance sheet items, this report provides Council with information regarding revenues and expenditures to September 30, 2021.

Revenues to September 30, 2021

Some of the larger variances are explained in the following section:

- **Administration** – \$866,000 in grant revenue will be recognized in the year end entries along with the transfer from reserves revenue of \$306,766. The remainder of the variance is made up of smaller items such as interest revenue, land sales and miscellaneous items such as various licenses and tax certificates.
- **Airport** – the variance in this area is almost entirely fuel sales. However, there is confidence that the budget will be met by year end.
- **Water and Sewer** - the variance in this department is approximately 34% of the budgeted amount due largely to the timing of the billing cycle, the fourth quarter billing will be reflected in the year end figures; we are not expecting a concern in the year end variance.
- **Michipicoten Memorial Community Centre** - there was significant revenue loss in this department directly associated with the closing of facilities due to the COVID-19 pandemic which continued into 2021. The canteen and bar sales account for almost half of the variance and it is not expected that either venue will reopen in 2021. Approximately \$30,000 of the variance can be attributed to arena rentals. The arena is now operational and we are expecting to collect \$20,000 in revenue by year

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end. A reduction in fitness memberships accounts for \$19,500 of the variance. FOB credits from previously collected revenues were recognized in 2021, it is unlikely that much more of this variance will be collected.

- **Tourism** - there was significant revenue loss in this department directly associated with the closing of the Tourist Information Centre (TIC) due to the continuing COVID-19 pandemic. Almost the entire variance can be attributed to the loss of product sales at this facility.

Expenditures to September 30, 2021

- **Taxation** – This variance is almost entirely made up of Commercial taxation write-off. There were two commercial properties which were sold early this year; both properties had been through at least one failed tax sale process. The tax write-off is a non-cash expense which will offset the bad debt expense at the year end. In addition, the expectation is that the properties will become income generating in future years.
- **Administration** – Year end entries such as transfers from reserves and distributed wages account for 75% of this variance. The remaining 25% consists of small variances over many different accounts. It is anticipated that the overall difference at year end will be minimal.
- **Information Technology** – Approximately \$33,000 of the variance is software maintenance which includes the IT consultant and ESRI (GIS technology) costs. The remainder is a combination of distributed wages and small variances over multiple accounts.
- **Fire Department** – a substantial portion of this variance is due to the honorarium as well as the transfer to reserves being recorded in the fourth quarter.
- **Animal Control** – similar to the revenues we do not expect to see many expenses in this department until the position of animal control officer is filled.
- **Police Services** – Almost the entire variance is comprised of the fourth quarter OPP billing.
- **Police Services Board** – similar to the fire department, this honorarium is recorded in the fourth quarter and there is no travel due to COVID-19 pandemic as such the majority of these expenses are not recognized until later in the year.

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- **Infrastructure Services** – Wages account for almost 60% of this variance. The remainder consists of year end reserve transfers and smaller variances over many accounts.
 - **Airport** – fuel purchases account for the majority of the variance, it is expected that by year end differences will not be significant.
 - **Water and Sewer** – year end entries such as reserve transfers account for approximately 40% of this variance and an additional 13% to wages; the remainder is made up of small variances over many accounts.
 - **Michipicoten Memorial Community Centre** – Other than the expenses we are expecting to recognize over the fourth quarter there are no significant variances.
 - **Planning & Development** – in 2020, expenses were significantly higher than the budgeted amount. Due to a perceived upswing in our local economy, a decision was made to increase this budget for 2021 in preparation for continued need for expenditure in this area.
 - **Tourism** – A decision was made for the Tourist Information Centre to remain closed for the 2021 season due to the COVID-19 pandemic, there are however some fixed expenses such as utilities and insurance.

Capital Fund

- **Revenue** – revenue for the capital fund is received when funds are transferred from reserves or claims are submitted occasionally the revenue is recognized in the next municipal fiscal year as the provincial year end is March 31st. The variance consists of 48% grant revenue receivable with the remainder being a combination of year end transfers from reserves or operating fund.
- **Expenses** - capital projects typically begin in late spring and finish in the fall, some larger projects are carried over to the next fiscal year. The majority of related expenditures are paid and recorded in the third and fourth quarters. In addition, the contractor historically invoices late.

In summary, as expected, the hardest hit areas were recreation and tourism where facilities needed to remain closed for the protection of both staff and the public. Unfortunately, there is little opportunity for revenue recovery in these areas. This review of the municipalities financial records does not raise any material concerns.

Recommendation

That Council receive Staff Report MB 2021-10 Third Quarter Financial Report for information purposes.

Attachments

- Council Department Summary for The Period Ending September 30, 2021

Council Department Summary

For Period Ending 30-Sep-2021



	FINAL BUDGET	ACTUAL VALUES	VARIANCE	FINAL BUDGET	ACTUAL VALUES	VARIANCE
	2020	2020	2020	2021	2021	2021
GENERAL FUND						
Revenue						
TAXATION	(4,941,256.00)	(4,964,239.01)	22,983.01	(4,977,235.00)	(4,982,616.42)	5,381.42
SCHOOL BOARDS	(544,525.00)	(544,649.90)	124.90	(499,335.00)	(499,652.60)	317.60
BUSINESS IMPROVEMENT AREA	(18,000.00)	(2,500.03)	(15,499.97)	(2,500.00)	(2,500.00)	0.00
ADMINISTRATION	(5,052,686.00)	(4,179,403.14)	(873,282.86)	(5,327,918.00)	(4,031,917.08)	(1,296,000.92)
INFORMATION TECHNOLOGY	(124,878.00)	(53,212.35)	(71,665.65)	(48,500.00)	(38,773.87)	(9,726.13)
FIRE DEPARTMENT	(29,800.00)	(12,207.21)	(17,592.79)	(36,713.00)	(30,845.62)	(5,867.38)
BUILDING DEPARTMENT	(32,930.00)	(33,116.50)	186.50	(43,610.00)	(41,572.25)	(2,037.75)
ANIMAL CONTROL	(2,500.00)	(460.00)	(2,040.00)	(1,000.00)	(225.00)	(775.00)
POLICE SERVICES	(8,640.00)	(8,806.55)	166.55	(16,309.00)	(16,819.90)	510.90
COMMUNITY EMERGENCY MEASURES	0.00	0.00	0.00	(50,576.00)	(63,202.39)	12,626.39
INFRASTRUCTURE SERVICES	(21,449.00)	(21,668.46)	219.46	(27,670.00)	(32,427.41)	4,757.41
AIRPORT	(337,200.00)	(237,367.17)	(99,832.83)	(339,840.00)	(281,939.13)	(57,900.87)
WAWA TRANSIT	(31,152.00)	(21,228.00)	(9,924.00)	(31,691.00)	(27,762.00)	(3,929.00)
GARBAGE COLLECTION	(40,980.00)	(36,982.53)	(3,997.47)	(41,166.00)	(37,565.28)	(3,600.72)
LANDFILL	(100,000.00)	(69,630.79)	(30,369.21)	(100,000.00)	(117,082.45)	17,082.45
SPECIAL INITIATIVES	(10,000.00)	0.00	(10,000.00)	(10,000.00)	(9,127.35)	(872.65)
WATER AND SEWER	(1,455,960.00)	(969,249.90)	(486,710.10)	(1,511,860.00)	(947,366.46)	(564,493.54)
CEMETERY	(8,500.00)	(10,040.00)	1,540.00	(11,000.00)	(14,710.00)	3,710.00
ASSISTANCE TO THE SENIORS	(31,600.00)	(16,224.00)	(15,376.00)	(30,035.00)	(19,520.96)	(10,514.04)
MICHIPICOTEN MEMORIAL COMMUNITY CENTRE	(358,393.00)	(84,658.72)	(273,734.28)	(153,700.00)	(48,290.56)	(105,409.44)
PARKS	(18,500.00)	(30,799.80)	12,299.80	(26,500.00)	(22,560.25)	(3,939.75)
DRAG RACES	0.00	211.21	(211.21)	0.00	0.00	0.00
PLANNING AND DEVELOPMENT	(2,225.00)	(1,725.00)	(500.00)	(2,225.00)	(2,700.00)	475.00
TOURISM	(38,000.00)	(342.81)	(37,657.19)	(38,000.00)	(8,076.92)	(29,923.08)
EXTERNAL BOARDS	(5,000.00)	0.00	(5,000.00)	0.00	0.00	0.00
Total Revenue	(13,214,174.00)	(11,298,300.66)	(1,915,873.34)	(13,327,383.00)	(11,277,253.90)	(2,050,129.10)
Expense						
MAYOR AND COUNCIL	110,436.00	45,630.79	64,805.21	105,241.00	43,630.57	61,610.43
TAXATION	94,626.00	122,014.93	(27,388.93)	30,031.00	150,207.30	(120,176.30)
SCHOOL BOARDS	544,525.00	401,033.11	143,491.89	499,334.00	409,612.83	89,721.17
ADMINISTRATION	2,242,775.00	1,016,688.20	1,226,086.80	3,141,164.00	1,012,177.20	2,128,986.80
INFORMATION TECHNOLOGY	399,249.00	203,422.37	195,826.63	191,477.00	104,910.30	86,566.70
FIRE DEPARTMENT	363,522.00	101,826.40	261,695.60	303,598.00	116,908.36	186,689.64
BUILDING DEPARTMENT	131,064.00	75,082.06	55,981.94	130,281.00	80,561.83	49,719.17
ANIMAL CONTROL	7,112.00	600.13	6,511.87	7,134.00	744.28	6,389.72
POLICE SERVICES	872,978.00	575,571.07	297,406.93	888,668.00	656,389.71	232,278.29
POLICE SERVICES BOARD	6,282.00	576.77	5,705.23	5,107.00	626.05	4,480.95
COMMUNITY EMERGENCY MEASURES	156,174.00	28,234.33	127,939.67	51,076.00	38,117.44	12,958.56
INFRASTRUCTURE SERVICES	1,690,448.00	1,430,919.55	259,528.45	1,679,198.00	963,424.83	715,773.17
AIRPORT	392,848.00	241,835.46	151,012.54	392,104.00	218,853.62	173,250.38
WAWA TRANSIT	75,502.00	26,441.57	49,060.43	73,628.00	42,075.05	31,552.95
GARBAGE COLLECTION	374,691.00	246,505.76	128,185.24	381,355.00	226,840.58	154,514.42
LANDFILL	158,228.00	116,781.96	41,446.04	157,373.00	67,005.08	90,367.92
SPECIAL INITIATIVES	24,000.00	636.94	23,363.06	24,000.00	22,239.47	1,760.53
WATER AND SEWER	1,454,574.00	1,559,283.29	(104,709.29)	1,510,422.00	853,555.87	656,866.13

Council Department Summary

For Period Ending 30-Sep-2021



	FINAL BUDGET	ACTUAL VALUES	VARIANCE	FINAL BUDGET	ACTUAL VALUES	VARIANCE
	2020	2020	2020	2021	2021	2021
GENERAL FUND						
CEMETERY	42,092.00	18,375.17	23,716.83	39,572.00	15,764.21	23,807.79
ASSISTANCE TO THE SENIORS	28,936.00	12,619.87	16,316.13	26,883.00	11,636.35	15,246.65
MICHIPICOTEN MEMORIAL COMMUNITY CENTRE	1,542,624.00	2,540,649.99	(998,025.99)	1,268,764.00	749,862.63	518,901.37
PARKS	171,780.00	161,372.45	10,407.55	204,017.00	146,100.10	57,916.90
DRAG RACES	0.00	571.25	(571.25)	0.00	(25.00)	25.00
PLANNING AND DEVELOPMENT	4,067.00	36.95	4,030.05	12,203.00	697.64	11,505.36
TOURISM	216,819.00	73,515.19	143,303.81	141,189.00	52,731.67	88,457.33
EXTERNAL BOARDS	2,108,822.00	1,512,347.51	596,474.49	2,063,564.00	1,534,309.19	529,254.81
Total Expense	13,214,174.00	10,512,573.07	2,701,600.93	13,327,383.00	7,518,957.16	5,808,425.84
Total GENERAL FUND	0.00	(785,727.59)	785,727.59	0.00	(3,758,296.74)	3,758,296.74

Council Department Summary

For Period Ending 30-Sep-2021



	FINAL BUDGET	ACTUAL VALUES	VARIANCE	FINAL BUDGET	ACTUAL VALUES	VARIANCE
	2020	2020	2020	2021	2021	2021
CAPITAL FUND						
Revenue						
ADMINISTRATION	(162,500.00)	0.00	(162,500.00)	(375,000.00)	(133,263.82)	(241,736.18)
INFORMATION TECHNOLOGY	(70,000.00)	0.00	(70,000.00)	(70,000.00)	(17,510.02)	(52,489.98)
FIRE DEPARTMENT	(70,000.00)	0.00	(70,000.00)	0.00	0.00	0.00
POLICE SERVICES	(503,000.00)	0.00	(503,000.00)	(533,000.00)	(23,813.08)	(509,186.92)
INFRASTRUCTURE SERVICES	(4,086,787.00)	0.00	(4,086,787.00)	(3,088,205.00)	(438,209.64)	(2,649,995.36)
AIRPORT	(180,000.00)	0.00	(180,000.00)	0.00	(5,425.95)	5,425.95
LANDFILL	(575,000.00)	0.00	(575,000.00)	(360,000.00)	(51,554.81)	(308,445.19)
WATER AND SEWER	(195,000.00)	(12,023.37)	(182,976.63)	(182,000.00)	(119,627.79)	(62,372.21)
CEMETERY	0.00	0.00	0.00	(30,000.00)	0.00	(30,000.00)
MICHIPICOTEN MEMORIAL COMMUNITY CENTRE	(275,000.00)	0.00	(275,000.00)	(210,000.00)	0.00	(210,000.00)
TOURISM	(203,200.00)	(45,831.84)	(157,368.16)	(85,800.00)	(9,673.31)	(76,126.69)
Total Revenue	(6,320,487.00)	(57,855.21)	(6,262,631.79)	(4,934,005.00)	(799,078.42)	(4,134,926.58)
Expense						
ADMINISTRATION	162,500.00	24,637.13	137,862.87	375,000.00	178,586.23	196,413.77
INFORMATION TECHNOLOGY	70,000.00	0.00	70,000.00	70,000.00	17,510.02	52,489.98
FIRE DEPARTMENT	70,000.00	0.00	70,000.00	0.00	0.00	0.00
POLICE SERVICES	503,000.00	0.00	503,000.00	533,000.00	527,106.03	5,893.97
INFRASTRUCTURE SERVICES	4,086,787.00	1,539,083.48	2,547,703.52	3,088,205.00	1,523,302.33	1,564,902.67
AIRPORT	180,000.00	0.00	180,000.00	0.00	5,425.95	(5,425.95)
LANDFILL	575,000.00	29,105.94	545,894.06	360,000.00	43,877.05	316,122.95
WATER AND SEWER	195,000.00	45,724.78	149,275.22	182,000.00	119,627.79	62,372.21
CEMETERY	0.00	0.00	0.00	30,000.00	0.00	30,000.00
MICHIPICOTEN MEMORIAL COMMUNITY CENTRE	275,000.00	373,450.05	(98,450.05)	210,000.00	0.00	210,000.00
TOURISM	203,200.00	176,274.77	26,925.23	85,800.00	10,175.07	75,624.93
Total Expense	6,320,487.00	2,188,276.15	4,132,210.85	4,934,005.00	2,425,610.47	2,508,394.53
Total CAPITAL FUND	0.00	2,130,420.94	(2,130,420.94)	0.00	1,626,532.05	(1,626,532.05)