



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White, Director of Finance
DATE: 4/24/2017
SUBJECT: 2016 Year to Date Report
ATTACHMENTS: 2016 YTD Report

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the 2016 Year to Date Report of the Director of Finance for information purposes.

EXECUTIVE SUMMARY

The Director of Finance provides an annual update to council on the yearend Year to Date Report.

DISCUSSION

A number of changes were made during 2016 to provide financial reports to council and a new format for the Year to Date Report was developed. A significant number of general ledger accounts were added late in 2016 and the line by line volume is useful for the department heads, but would be a very lengthy report for council. This report provides a high-level overview of the revenue and expenses for each department in comparison with the budget numbers.

Year to Date Highlights

- Budget is compiled on a cash basis and does not include amortization
- At the time the budget was passed, limited information was known as to how the Shared Services Project would affect the budget. There were a number of variances by department but overall there was not a significant impact to the year to date numbers.
- A number of capital projects did not proceed or were not completed and therefore deferred to the 2017 Draft Budget
- For departments with offsetting revenues, in most cases the increase in expenses is offset by corresponding increased revenue due to higher than anticipated participation in programs and activities. Examples include: Childcare, Early Learning and Early Years
- Alternatively, there were departments with less than anticipated revenue and offset by corresponding decreased expenses. Examples include: Before & After Maitland River, Rec Programs and Aquatic Programs
- The most significant budget variances related to the ESTC income and expenses, however the deficit for the ESTC ended up at \$26,630.32 which was less than anticipated at the time of the KPMG report and therefore this amount was not added to accumulated deficit
- At year end, budget to actuals are monitored to determine if any dollars can be transferred to reserves for projects not completed, higher than anticipated revenues and lower than anticipated expenses. A listing was compiled and approved by council. These transfers to reserves at year end show as a variance.

The remaining balance is the surplus/deficit for the year which in 2016 was \$37,247.54. This amount was transferred to the tax stabilization reserve. A tax stabilization reserve was established in 2012. The tax stabilization reserve is used to minimize changes in property tax rates and smooth out fluctuations arising from any unforeseen and/or extraordinary events. At year end any surplus is transferred to the stabilization reserve to bring the year to date income and expenses to zero before the tangible capital asset entries.

Overall Results	December 31, 2016
Operating Revenue	105.44%
Operating Expense	103.51%
Capital Revenue	81.61%
Capital Expense	75.71%
Total Revenue	97.09%
Total Expense	95.87%

	Budget	Actual
Revenue	11,152,395.00	10,827,308.66
Expense	16,211,439.00	15,542,178.57
Difference	5,059,044.00	
Transfer from Stabilization Reserve	-338,066.00	
Amount Raised Flat Rate S/L	-6,062.00	
2016 Capping Expense	-46.00	
Amount raised by taxation	4,714,870.00	4,714,869.91

FINANCIAL IMPACT

The yearend numbers will be included in the 2016 Financial Statements and Financial Information Return (FIR).

FUTURE CONSIDERATIONS

Once the 2017 budget is adopted, reports will be generated for the budget process period and then on a scheduled quarterly basis for the remainder of the year.

RELATIONSHIP TO STRATEGIC PLAN

Goal #4 – Our administration is fiscally responsible and strives for operational excellence.



Donna White, Director of Finance



Sharon Chambers, CAO