



# TOWNSHIP OF NORTH HURON

# REPORT

Item No.

**REPORT TO:** Reeve Vincent and Members of Council  
**PREPARED BY:** Donna White, Director of Finance  
**DATE:** 19/03/2018  
**SUBJECT:** 2017 Year to Date Report  
**ATTACHMENTS:** 2017 YTD Report

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## **RECOMMENDATION:**

THAT the Council of the Township of North Huron hereby receives the 2017 Year to Date Report of the Director of Finance for information purposes.

## **EXECUTIVE SUMMARY**

This report provides an update to Council on the 2017 year end.

## **DISCUSSION**

The attached report provides a summary and highlights the financial status of each department at the end of 2017.

### Year to Date Highlights

- Budget is compiled on a cash basis and does not include amortization but does include the purchase of capital assets
- There were some adjustments due to Shared Services which ended on February 17, 2017
- A number of Capital Projects did not proceed or were not completed. Unused funds were transferred to reserves.
- For Departments with offsetting revenues, in most cases the increase in expenses is offset by a corresponding increase in revenue due to higher than anticipated participation in various programs and activities. These areas include Daycare and related programs.
- One of the most significant budget variances related to the income and expenses at the ESTC. A deficit of \$51,847.00 was budgeted for and raised through taxation. However the year end deficit ended up at \$122,258.22 which is an increase of \$70,411.27. Council passed a motion to add this additional deficit to the accumulated deficit for the ESTC which now totals \$285,205.08.
- As part of year end, the budget is monitored to determine if any dollars can be transferred to reserves for projects that were not completed. The yearend budget is also monitored for higher than anticipated revenues and lower expenses. A listing was compiled, approved by council and is reflected in the attached report. These transfers to reserves show as a variance to that department at year end.
- Machinery Rent was implemented in 2017 to provide a more realistic cost to each department for the machine costs relating to their operations. At this point, there is no effect on the overall budget as the machine rent costs to each department equal the total machine rental revenue. On a go forward basis, all future equipment and vehicles will be purchased and maintained by Public Works. As part of the 2017 budget, \$25,000 was transferred to an equipment reserve.

- Job costing through payroll was implemented on a much larger scale in 2017 and caused some fluctuations on a department by department basis, however there was no change to the overall employee wage cost. One of the most noticeable fluctuations was in Recreation and Facilities Dept. which shows a significant overage due to vacation time/sick time etc. for all Rec and Facilities employees being posted to Rec Admin which results in less wages being posted to other departments. Staff are looking into alternative options for 2018.
- Water and Wastewater are self-balancing funds. Transfers to/from reserves were completed at year end to balance the revenues and expenses.
- There was a surplus for 2017 in the amount of \$14,797.35. This amount was transferred to the Tax Stabilization reserve which balances the income statement to zero. This account is used to minimize changes to property tax rates and smooth out fluctuations arising from unforeseen and/or extraordinary events.

<b>Year to Date Summary</b>	<b>Budget</b>	<b>Actual</b>
Revenue	13,215,863.00	12,899,763.65
Expense	18,445,569.00	17,804,226.58
Amount raised by Taxation	5,229,706.00	4,885,125.05
Transfer from Stabilization Reserve	-338,066.00	-
Amount Raised by Flat Rate S/L	-6,515.00	
Amount Raised by Taxation	\$4,885,125.00	\$4,885,125.05

#### **FINANCIAL IMPACT**

The yearend numbers will be included in the 2017 Audited Financial Statements and the Annual Financial Information Return (FIR).

#### **FUTURE CONSIDERATIONS**

Once the 2018 Budget is adopted, reports will be generated for the budget process period and reports will be generated for council. Staff are working on an Investment Policy to bring forward to Council to provide authorization for investing any available funds for various amounts of time.


#### **RELATIONSHIP TO STRATEGIC PLAN**

Goal #4: Our Administration is fiscally responsible and strives for operational excellence.




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Donna White, Director of Finance




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Dwayne Evans, CAO