



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White, Director of Finance
DATE: 13/03/2017
SUBJECT: 2016 Fire Department Reconciliation
ATTACHMENTS: 2016 Fire Department Reconciliation

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby adopts the 2016 Fire Department Reconciliation as presented by the Director of Finance;
AND FURTHER that the Reconciliation be forwarded to the partners that have entered into a Municipal Fire Protection Agreement.

EXECUTIVE SUMMARY

As part of the yearend audit process, the Director of Finance prepares a reconciliation of the North Huron Fire Department budget. The Reconciliation is forwarded to the partners under agreement receiving service from North Huron once the audit has been completed.

DISCUSSION

The 2016 expenses pertaining to the North Huron Fire Department were higher than the budgeted amount resulting in a deficit of \$65,635.28 including capital. However, revenue was recovered from Fire Marque and billable Fire Calls in the amount of \$41,991.80 along with the HST Rebate on the Fire Fighter's Allowance resulting in offsetting revenue of \$46,467.91 to reduce the 2016 Deficit. The Operating Reserve Limit was established at \$50,000.00 to reduce the impact of higher than normal expenses in any given year. Due to the high number of calls occurring in 2015, the opening balance was at \$3,740.13. With the 2016 entries, the reserve is in a negative position of \$15,427.24. With the large capital purchase of the Pierce Freightliner Tanker Truck in 2016, the Capital Reserve is also in a negative position in the amount of \$28,433.51.

FINANCIAL IMPACT

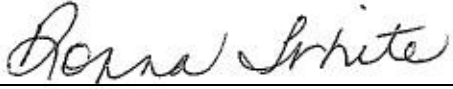
The 2017 Capital reserve amount of \$120,000.00 is reduced by \$49,990.00 in capital expenses leaving the transfer to the capital reserve amount of \$70,010.00 which is included in the 2017 Draft Budget. This transfer will leave \$41,576.49 in the Capital Reserve for future purchases. The Operating Reserve will be reviewed at year end to determine if funds can be transferred to offset the negative balance.

FUTURE CONSIDERATIONS


Once the 2017 Budget has been adopted, reports will be forwarded to the partners as outlined in the agreement.

RELATIONSHIP TO STRATEGIC PLAN

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

A handwritten signature in cursive script that reads "Donna White".

Donna White, Director of Finance

A handwritten signature in cursive script that reads "Sharon Chambers".

Sharon Chambers, CAO