



Date: October 16, 2018

To: Mayor Mary Smith and Council Members

From: R. Lane Vance, Manager of Financial Services

Subject: Financial Statement Review – 2018 Q3

Status: For Information

Recommendation

That the report of the Manager of Financial Services entitled Financial Statement Review – 2018 Q3 be received for information.

Information

The attached Summary Financial Statements are provided for Council's review and provide a good overview of municipal activities by cost center 75% of the way through 2018. The following comments should be helpful in the review of the statements and outline items that may affect a number of departments. These comments should be reviewed in addition to those noted on the first and second quarter financial report.

➤ **Inter-fund Transfers (IFTs)**

IFTs for overhead have been adjusted to 100% of the annual charge out rate. Additional IFTs related to capital expenditures will be completed closer to year end or at the conclusion of the respective capital project.

➤ **Department # 7 – Economic Development**

The physician recruitment expense will display as over budget. The budget was approved based on a \$3,750 reserve contribution. In fact the Township was able to support a Physician Recruitment start up paying \$7,500 in year one of a two year commitment. The difference will come from the Medical Incentives Reserve leaving an expected adjusted year-end balance of \$47,157.

➤ **Department # 13 – Building Inspections**

Building Department operating receipts were very strong in the third quarter and have surpassed projected revenues for 2018. Assuming a normal 4th quarter for revenues, it is expected that the department will be in a position to set aside a surplus for future years in the Building Contingency Reserve.

➤ **Department # 20 Roadways & Department # 24 Gravel Pits**

A significant number of accounts in these departments show underspent at the end of September. This is largely reflective of the fact that gravel allocations have not been made and the gravel crushing contract has not yet occurred.

In addition, a number of capital projects are expected to be completed in the 4th quarter.

➤ **Department # 33 – Landfill Site**

Tipping revenues stand at 81.5% of budget as at September 30. With strong activity in the fourth quarter, revenue projections should be met and a break even financial position is expected.

➤ **Department # 40 Parks & Recreation**

Park Spaces maintenance displays as over budget due to some additional trail improvements. In fact, these additional costs are offset through a donation from the Ennismore Curling Club 'Curl for a Cause'.

➤ **Department # 42 LSCC**

Necessary repair costs related to the ice plant and Olympia will result in additional costs and increase the expected operating deficit.

➤ **Capital Projects – All Departments**

As the 2018 capital program wraps up, staff will complete detailed analysis of all capital projects, ensuring that all invoices have been properly allocated and capturing any remaining holdbacks due on these projects. This work also includes entries related to offsetting revenues, whether that be grants, fundraising receipts, IFTs from reserves, etc.

In addition, any remaining works that may be required and need to be carried over to the next year are documented and included as part of the 2019 budget process.

Strategic Plan Reference

Goal # 2 - Achieve excellence in governance and service delivery.

Financial Impact

There is no adverse financial impact to the Township by approving the above noted recommendation to receive this report.

Attachment

- Summary Financial Statements to September 30, 2018 – All Departments

R. Lane Vance

Prepared By: R. Lane Vance
Manager of Financial Services/Treasurer

Janice Lavalley

Approved By: Janice Lavalley
CAO