

DATE: 20 January 2010

COUNCIL REPORT

TO: Mayor Compton and Members of Council
FROM: Karen Brown
RE: Monthly Financial Statements

Recommendation

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora as at December 31, 2009.

Background

Attached, for your information, please find the preliminary December 2009 summary expenditure statements for the City of Kenora, the Council department and travel statements as well as the user fee statement.

With regards to the statements attached, the following points should be brought to your attention:

Overall

- The preliminary 2009 financial statements are reflected on the right hand side of the page, under "previous year". The "current year" information now relates to 2010 activity.
- Provincial Offences monthly data is now up to date, but we have not yet received the quarterly information.
- The numbers are preliminary and subject to change as year end adjustments are made.

Expenditures

- As at December 31, in a perfect world, your variance column would be 0, representing the entire budget spent, no more, no less. An under budget expense will appear as a negative number (ie, in brackets), showing additional room available. An over budget line will appear as variance in excess of 0.
- Overall, spending is showing in excess of budget by 11% - primarily related to Protection, Health and Planning & Development, and to a lesser extent Recreation & Cultural and Environmental. A significant portion of this has been, or will be funded through reserve appropriations, for example, police disbandment costs and KDSB budget amendment, while some relates to unbudgeted spending for which there is offsetting funding (eg. Business Enterprise Centre expenses) or which should not be included in the City's activity (eg. LOTW Labour Action Centre). Each line will be looked at below in greater detail.
- General Government expenditures are showing under budget overall, with 6% room remaining. The Mayor & Council, Human Resources, Building & Grounds (City Hall) and Finance & Administration are all showing under

budget. Council travel is showing well under budget for the year. The building rentals' budget line is showing significantly over budget. This is primarily related to the building rental at 70 Park St., and to a lesser extent the Medical building, both located in Keewatin.

- Protection is over budget, although this is due to the unbudgeted transition costs for disbanding KPS, totaling \$2,136,495 as of today (to be funded from contingency reserves upon Council approval). The KPS is over budget from their original estimate by \$347,843 before vehicles and the Anti Violence program (this number may increase as we continue to clean up residual invoices). The OPP expense is relatively as expected to the end of the year, prior to the final reconciliation. The Police Services Board is also showing under budget, likely as the majority of spending at this time relates to the KPS disbandment. Emergency measures and 911 emergency access are both showing well under budget.
- Transportation is showing basically at budget for the year. Combined roads maintenance is running over budget, with individual fluctuations within roads departments, but primarily due to winter control. Departments currently showing under budget include: conventional transit, streetlighting, wharfs, garage & shop and engineering. Departments showing over budget include metered parking, parking rentals, docks and the operations centre.
- Environmental expenditures are showing above budget. Water & sewer operations are showing over budget by \$310K combined. Combined solid waste and recycling operations are showing over budget by \$111K combined, while storm sewer operations are showing significantly under budget.
- Health expenditures appear to be running over budget, although this is directly attributable to the amended KDSB ambulance allocation (approved to be funded from reserves) and capital expenditures at the Cemetery, included in the approved municipal budget, but not reflected in the budgeted numbers in the statements.
- Social and Family expenditures are showing just over budget. This is primarily due to the amended KDSB Ontario Works allocation (approved to be funded from reserves) and Day Care related expenses.
- Recreation & Cultural expenditures are showing at 7% over budget. This is partly due to combined parks spending (\$61K over budget) as well as the recreation facilities (\$179K over budget before JM). KAR and the Museum are both showing as if over budget, but KAR will be removed from the City's statements as part of the year end adjustments, and the Museum will be corrected to the actual budget allocation for year end.
- Planning & Development expenditures appear to be running over budget to date this year, although for the most part this arises from programs not included in the budget. The Business Enterprise Centre is running over budget to date, but this is primarily due to a number of unbudgeted items, including: Arts Project, Biz Kids, Summer Company Project and Start up Costs. Unbudgeted departments in planning include the Youth Intern – Business Enterprise Centre, the LOTW Labour Action Committee and the LOW Book Committee.

User Fees

- Overall, user fees are showing 1% under budget, although it is recognized that all year end accruals may not have been made at this time. An over

budget user fee represents revenues in excess of those projected, while an under budget user fee represents less revenues than originally anticipated. When looking at the user fee statement, if the variance percentage is positive, the City has received more revenue than budgeted. If the variance percentage is negative, the City is experiencing a shortfall on that revenue budget line.

- General Government is showing revenues under budget, primarily due to rental fees.
- Protection user fees are showing significantly under the budgeted projections. This is primarily due to the unrecorded POA revenues for the last quarter, as well as the unexpected elimination of 911 emergency access user charges for the City in 2009. Combined policing user charges are showing well under budget, although there are some corrections required between KPS and OPP fees which will adjust the amount each is under. Animal control and building inspection user fees are all also showing well under budget.
- Transportation user fees are showing over budget, although individual fluctuations can be seen in the various departments. Roads maintenance, conventional transit, parking lots (combined) and work order fees are all showing well under budget. Metered parking, docks and engineering are all showing in excess of the annual budget for the year.
- Environmental user fees are showing under budget overall. This is strictly due to combined water & sewer fees showing under budget by \$142K, although it is recognized that the final year end adjustments for unbilled revenue have not been made yet. Combined solid waste and recycling related fees are showing over budget.
- Social & Family user fees are showing over budget projections. These fees relate strictly to day care related programs and offset the over budget spending in these departments.
- Recreation & Cultural fees are showing over budget by \$49K, primarily due to the KRC Complex, Thistle Arena, Keewatin Memorial Arena, Recreation Programs and Fitness Centre. Again, these fees will help offset the over budget spending in these facilities.
- Planning & Development user fees are showing well in excess of the budget, although a significant portion relates to the unbudgeted LOW Book Committee revenues. Tourism revenues are also showing well over budget

Please let me know if you have any questions, or would like to see any of the department statements in further detail. It will be some time before the final 2009 numbers are available, but they will be distributed once finalized and audited.

cc: Audit Committee
Colleen Neil
Warren Brinkman
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