

STAFF REPORT: Finance & IT Services



REPORT TO: Finance & Administration
MEETING DATE: October 18, 2011
REPORT NO.: FIT.11.52
SUBJECT: Third Quarter Financial Report – September 30, 2011
PREPARED BY: Robert Cummings, Director of Finance & IT Services

A. Recommendations

THAT Council receive Staff Report FIT.11.52, “Third Quarter Financial Report - September 30, 2011”, for information purposes.

B. Background

Finance Staff provide a Quarterly Financial Reports for review by the Finance and Administration Committee and receipt by Council. The attached documentation provides Council with information on the financial activity that the Town has undertaken in relation to the 2011 Approved Budget.

Staff has examined the fiscal position of the Town’s operations to September 30, 2011. Staff are forecasting the following year-end variances:

Tax Supported Departments	\$ 57,000 unfavourable variance
User Fee Supported Operations (Building and Harbour)	\$ 75,000 unfavourable variance
User Rate Supported (Water and Wastewater)	\$ 150,000 unfavourable variance

Tax Supported Departments

The first page of the 3rd quarter report represents tax supported departments’ financials for the first 9 months of the 2011 fiscal year. The total year-to-date actuals at this point is \$10.8M and would indicate a favourable year-end variance. However, there remain a number of capital projects to be funded for 2011. This funding will result in a fiscal year activity close to budget.

Revenues are mainly on track. It is expected that the Town will not make its Supplementary revenue target by about \$50k. This combined with the previously noted adjustment in grants will have Staff forecasting an \$85k shortfall in 2011 revenue. However, there remain a number of variables that could alter this forecast prior to year-end.

User Fee Supported Operations (Building and Harbour)

The second page of the 3rd quarter report represents the user fee and rate supported departments’ financials for the three quarter mark of the 2011 fiscal year. The expected year-end forecast for user fee supported departments is unchanged at a \$75k unfavourable variance made up from the Building department operations and some lagging Harbour rental revenue.

User Rate Supported (Water and Wastewater)

On the second section of the second page of the 3rd quarter report, the user rate supported departments’ financials for the three quarter mark of the 2011 fiscal year are shown. The expected year-end forecast for user rate supported departments is a \$150k unfavourable variance made up of a shortfall in revenue from water billings.

C. The Blue Mountains' Strategic Plan

Providing a strong, well managed municipal government.

D. Environmental Impacts

Supporting environmentally sound decisions

E. Budget Impact

Operations is projecting a unfavorable variance due to staffing adjustments and a decrease in the Ontario Municipal Partnership Fund (OMPF) funding for the year.

F. Attached

1. Summary 3rd Quarter Report – Tax Supported & User Fee Supported
2. Monthly Flash Report – September 2011

Respectfully submitted,

For more information, please contact:
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**The Blue Mountains
Third Quarter Financial Report
September 30, 2011**

Department	2011 Budget	Net Actual as of Sept 30, 2011	Net Budget as of Sept 30, 2011	Year to Date Variance	Projected 2011 Variance (Brackets indicate a favourable variance)	Comment
Tax Supported Expenses						
Council	\$ 188,787	\$ 128,975	\$ 141,590	\$ (12,615)	\$ (8,000)	Favourable variance expected due to administration expenses.
Administration & Other	\$ 3,075,405	\$ 2,316,997	\$ 2,306,554	\$ 10,443	\$ 50,000	Unfavorable variance re staffing adjustments
Protection Services	\$ 4,387,199	\$ 2,997,374	\$ 3,290,399	-\$ 293,025	\$ (70,000)	Favorable variance due to OPP credit for hours not served and fire administration expenses
Engingeering & Public Works	\$ 4,814,080	\$ 3,025,615	\$ 3,610,560	\$ (584,945)	0.00	Still large amount of minor capital and winter control expenes still to come. Projecting to be close by year end.
Recreation/Parks/Cemetery	\$ 1,825,302	\$ 1,427,606	\$ 1,368,977	\$ 58,630	0.00	Expenditures will be on track by year end.
Planning & Zoning	\$ 926,865	\$ 482,939	\$ 695,149	\$ (212,210)	0.00	Invoices have not been incurred fully, further discussions with Planning.
Library	\$ 643,392	\$ 426,486	\$ 482,544	\$ (56,058)	0.00	No variance expected
Total Tax Supported Expenses	\$ 15,861,030	\$ 10,805,992	\$ 11,895,773	\$ (1,089,781)	\$ (28,000)	
Tax Suported Revenues						
Taxation	\$ 10,729,634	\$ 10,603,612	\$ 8,047,226	\$ (2,556,387)	\$ 50,000	Final Tax Billing complete, but still waiting for MPAC for Supplementary Billing. Supplementary tax billing is expected to be short of target.
Grants	\$ 1,964,478	\$ 1,284,107	\$ 1,473,359	\$ 189,252	\$ 35,000	Ontario Municipal Partnership Fund (OMPF) funding is \$35,000 less for the year
All Other	\$ 3,166,918	\$ 2,107,701	\$ 2,375,189	\$ 267,488	0.00	Some revenues have not been realized due to timing of the service, for example Ice Rentals from Sept to Dec, Local Improvement Interest and Transfers to Reserves
Total Tax Supported Revenues	\$ 15,861,030	\$ 13,995,420	\$ 11,895,773	-\$ 2,099,648	\$ 85,000	
Overall Total Tax Supported					\$ 57,000	Projected 2011 Variance

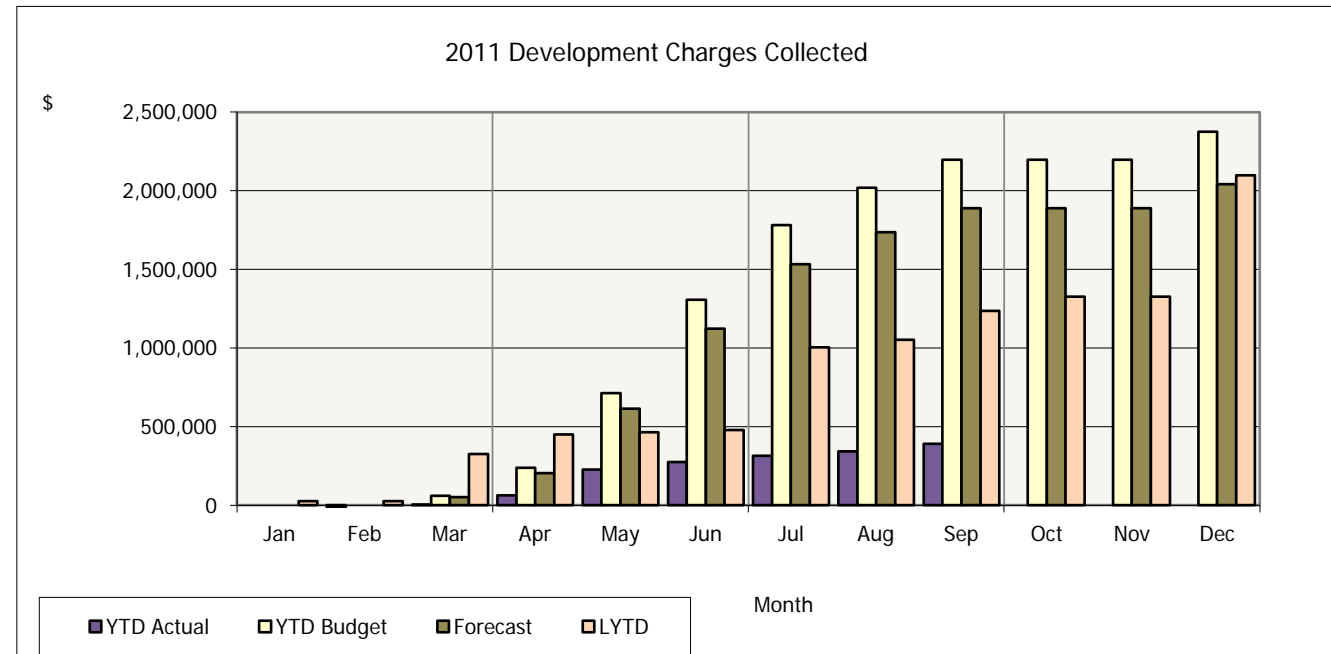
**The Blue Mountains
Third Quarter Financial Report
September 30, 2011**

Service Area	Approved 2011 Budget	Net Actual as of Sept 30, 2011	Net Budget as of Sept 30, 2011	Year to Date Variance	Projected 2011 Variance (Brackets indicate a favourable variance)	Comment
User Fee Supported Expenses						
Building & Harbour Expenses	\$ 1,125,491	\$ 718,795	\$ 844,118	\$ (125,323)	0.00	Internal Transfers and Capital Expenditures not funded as of September 30/2011.
Building & Harbour Revenue	\$ 1,125,491	\$ 690,339	\$ 844,118	\$ 153,779	\$ 75,000.00	Unfavourable variance for Building Permit Fees and a shortfall with seasonal Harbour rental revenue.
Total User Fee	\$ -	\$ 28,456	\$ -	\$ 28,456	\$ 75,000	
User Rates Supported Expenses						
Water Expenses	\$ 3,446,453	\$ 2,059,291	\$ 2,584,840	\$ (525,549)	0.00	Loan Payment and Capital Expenditures not funded as of September 30/2011.
Water Revenues *	\$ 3,446,453	\$ 2,361,583	\$ 2,584,840	\$ 223,257	\$ 150,000.00	Unfavorable variance due to water conservation. Peak Water Demand occurs during the third quarter, which is billed in October. Internal Transfers not posted at Sept 30/2011
Total Water		\$ (302,292)		\$ (302,292)	\$ 150,000.00	
Wastewater Expenses	\$ 2,962,706	\$ 1,787,838	\$ 2,222,030	\$ (434,192)	0.00	Loan Payment and Capital Expenditures not funded as of September 30/2011.
Wastewater Revenues *	\$ 2,962,706	\$ 1,910,665	\$ 2,222,030	\$ 311,365	0.00	Unfavorable variance due to Usage Revenue having a shortfall, but Private Waste Billings have an increase this year. Internal Transfers not posted at Sept 30/2011
Total Wastewater		\$ (122,827)		\$ (122,827)	\$ -	
Net Water Operations		\$ (302,292)			\$ 150,000.00	
Net Sewer Operations		\$ (122,827)			\$ -	
Total User Rates Supported		\$ (425,119)			\$ 150,000.00	Projected 2011 Variance

* Water and Wastewater Revenue for September has been estimated based on year to date trend.

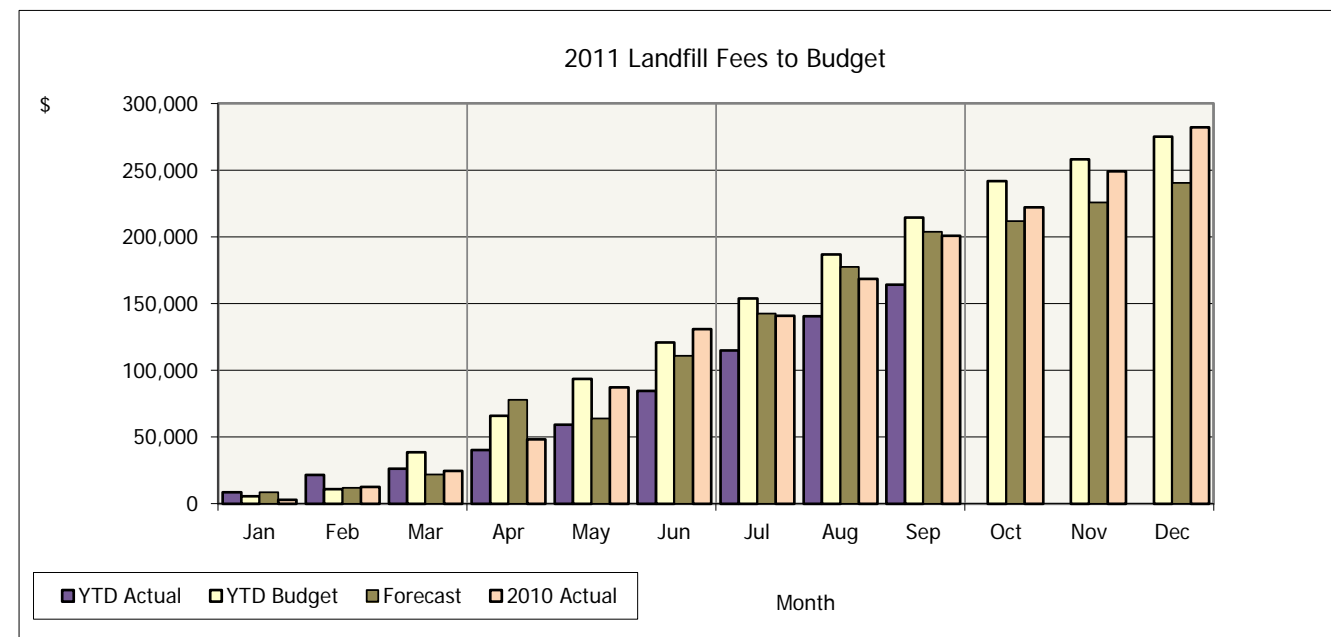
**The Blue Mountains
Monthly Flash Report -- Operating
30-Sep-11**

Development Charges Collected	Estimated D/C's	YTD Actual	% Collected	Forecast	Variance
	2,375,000	389,999	16%	2,042,500	1,985,001



Commentary
Development Charges collected in September were \$ 48,521
Soft Services -Total \$ 22,301 General Government - \$ 2,513 Fire - \$ 4,092 Police - \$ 603 Public Works - \$ 1,853 Parks & Recreation - \$ 10,560 Library - \$ 2,680
Hard Services - Total \$ 26,220 Roads - \$ 26,220 Water - \$ 0 Sewer - \$ 0
Sept 2011 is \$ 48,521 compared to \$ 184,254 for September 2010

Landfill Site Fees	Annual Budget	YTD Actual	% of Budget	Forecast	Variance
	275,000	164,259	60%	240,625	110,741

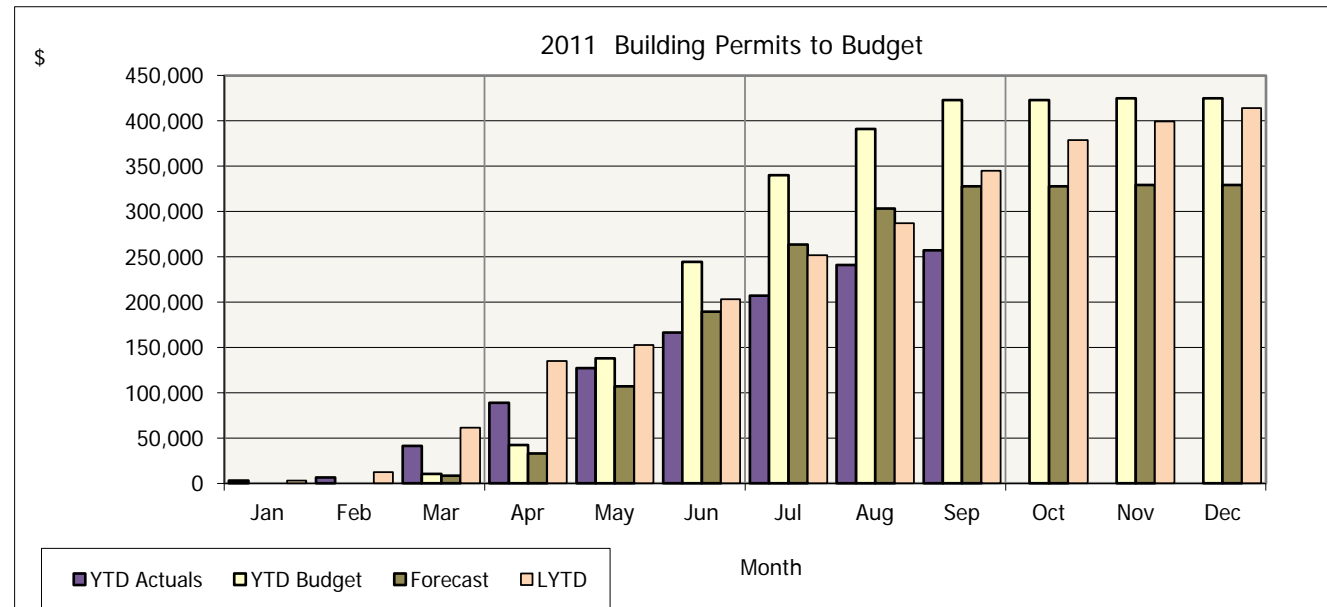


Commentary
Total Landfill site fees collected for September 2011 were \$ 23,794
Sept 2011 is \$ 23,794 compared to \$ 32,405 for September 2010.
We have been seeing less commercial and construction waste from Miller Waste Systems for about the last six months.
The forecast has been adjusted further to \$240,625 for the year.

Note: YTD Budget is an extrapolation of the Annual Budget based on estimated occurrence of transactions in our business cycle.

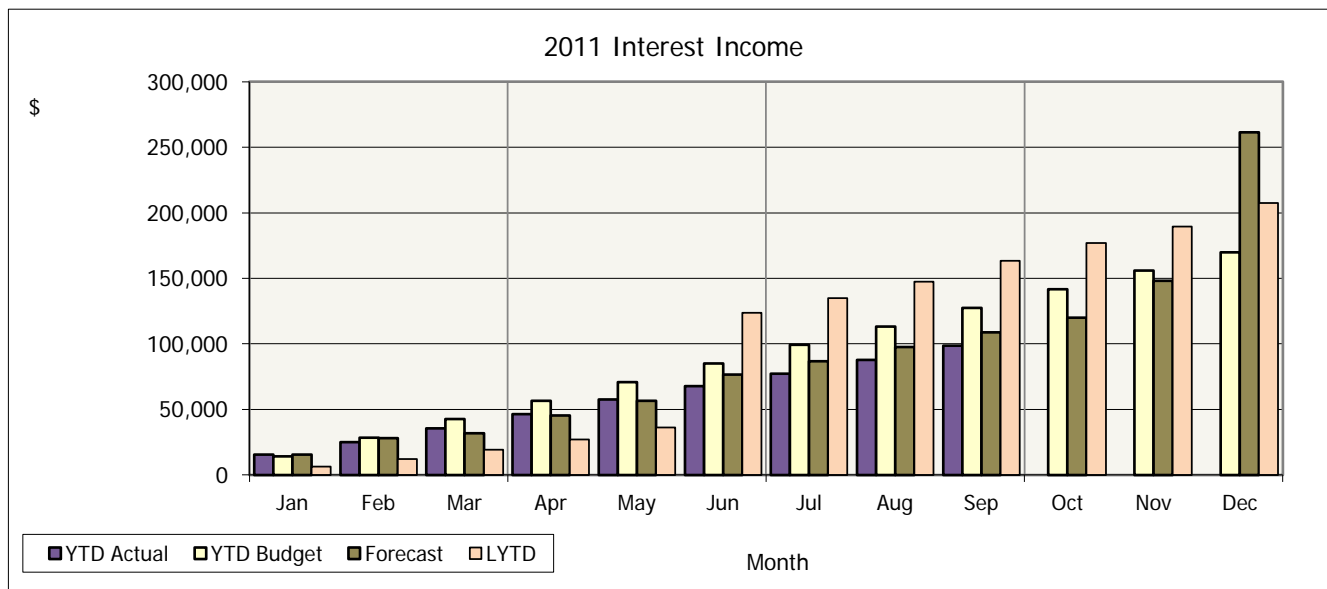
**The Blue Mountains
Monthly Flash Report -- Operating
30-Sep-11**

Building Permits	Annual Budget	YTD Actual	% of Budget	Forecast	Variance
	425,000	257,233	61%	350,000	167,767



Commentary
Total building permit fees collected for September 2011 were \$ 19,054
Sept 2011 is \$ 19,054 compared to \$ 58,257 for Sept 2010.

Interest Income	Annual Budget	YTD Actual	% of Budget	Forecast	Variance
	170,000	98,649	58%	261,500	71,351

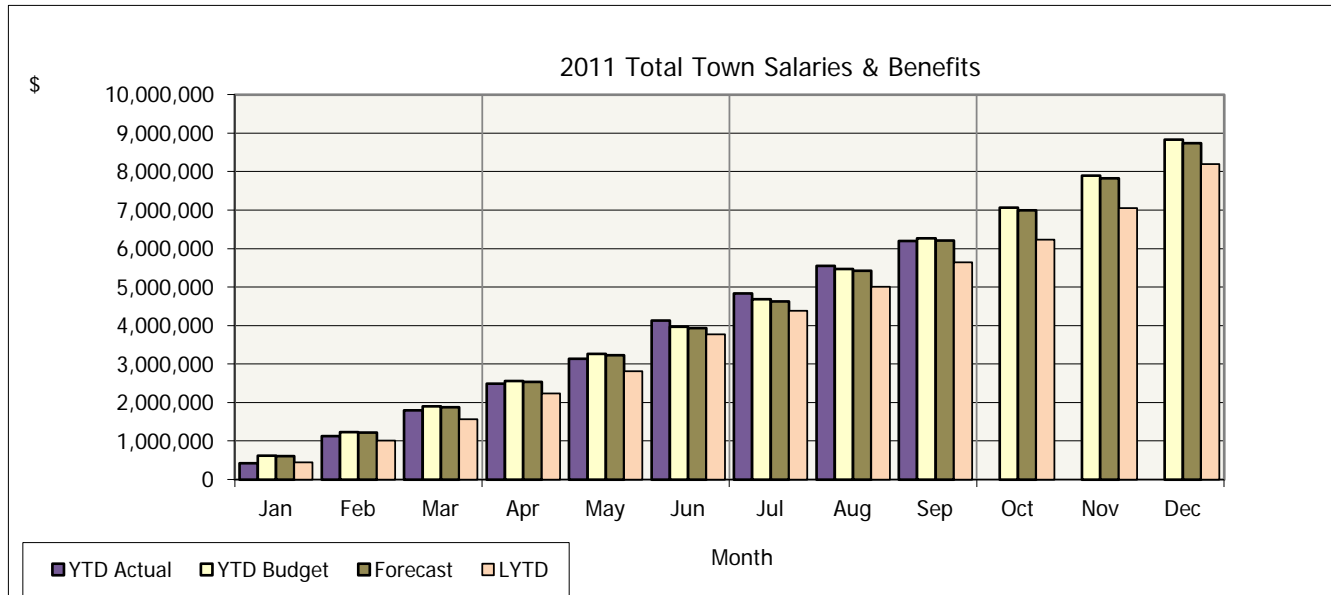


Commentary
Operating Bank Account Balance at September 30, 2011 was \$ 5,790,348
The County & School Board Levies were paid September 30th in the amount of \$ 5,106,528.
Forecast has been increased by \$100,000 for interest that we will receive on the Local Improvements that are owing to the Town. (Lora Bay/Camperdown)

**The Blue Mountains
Monthly Flash Report -- Operating
30-Sep-11**

Total Town Salaries & Benefits

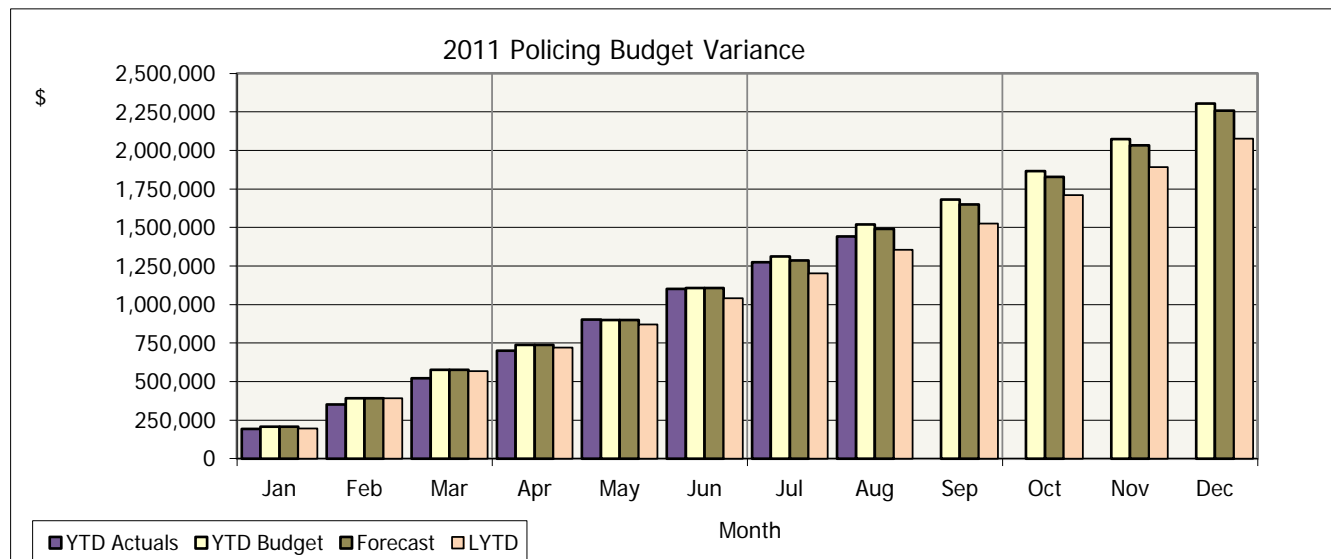
Annual Budget	YTD Actual	% of Budget	Forecast	Variance
8,827,000	6,195,706	70%	8,738,716	2,631,294



Commentary
Salaries & Benefits for the month of September 2011 were \$ 646,313.
Year-end forecast has been reduced by \$88,000.

OPP Services

Annual Budget	YTD Actual	% of Budget	Forecast	Variance
2,303,990	1,441,161	63%	2,257,910	862,829



Commentary
Information from the OPP will be provided at the end of the following month in order to be able to provide accurate statistics
Total hours for the month of August 2011 were 1,770. These are trending below budget for now.
Year-end forecast has been adjusted down by \$46,000.
August 2011 Hours were 1,770 compared to 1,780 for August 2010.