

Qualitative Summary for the September 2019 Operating Fund Financial Report

Attached is the September 30, 2019 financial report for the Operating fund showing a current surplus of \$100,319.

The biggest variance in the revenues is the Deed Transfer Tax which is currently over the pro-rated budget amount by \$25,874. Deed Transfer Tax is always a difficult line item to budget. Last year, we had increased the budget amount due to past trends, but ended up under budget, therefore reduced the budgeted amount again this year.

We are also slightly ahead of budget in Revenue from Other Sources on items such as penalties & interest on taxes and extraordinary revenue which includes surplus' in recreation programs and the Pubnico Sewer hookups. We had a commercial business hook up to the Dennis Point Sewer Extension, the fee being more than a residential hookup.

The Recreation Department did great work when applying for Federal summer student funding and as a result received more than anticipated. They also assisted in applying for and received a grant from the Province for the repairs to the East Kemptville Ballfield dugouts. As we were unsure, during the budget deliberations, if they would be successful in receiving this funding, no revenue was budgeted.

And lastly under the revenues, you will see a budgeted amount under Transfer from West Pubnico Wastewater with the actual at \$0. This is the amount we were to transfer from the West Pubnico Sewer account for the construction of a storage shed for our Dewatering truck. As you all know the truck has not been working like we had hoped it would and is currently away for repairs, therefore the shed will not be built in this fiscal year for sure. You will also see a significant savings in the expenses.

When looking at the Expenditures, under General Government Services you may notice that the actuals are very close to the pro-rated budget showing a small savings of \$788. There were, however, some larger variances from budget to actuals included in there. The biggest being in Administration under other legal services. This is the Sea cucumber appeal with current actuals at \$25,926 which is \$10,926 over the pro-rated budget. We are expecting one final invoice estimated at \$10,000, bringing the actuals to an estimated \$35,000 which will bring us over our \$30,000 budget by approximately \$5000 at year end.

Protective Services is currently under budget by \$21,822 with over half of this surplus coming from Property Inspections, showing savings of \$10,444. Our Director of Public Works took a 5 week parental leave without pay which was not known during the budget process. No costs have incurred yet in Repairs to sidewalks and Business Park Road Maintenance which is believed to be a timing issue. Most of this is budgeted for grading and plowing. There are also some savings in Maintenance and Fuel for the mowers and other facility maintenance equipment. EMO is also showing some savings which is mostly the contingency we budgeted in the event of an emergency. Fire Protection is under budget currently in mostly training & equipment which will most likely be used up before year end.

Transportation Services is showing a surplus of \$5000 which is an amount which was budgeted as a contingency.

Environment Health Services is showing a surplus of \$64,646 with \$56,859 of it being driven from the West Pubnico Sewage & Treatment Plant budget. As discussed previously, this is due to the storage shed project for the Dewatering truck not occurring in this fiscal year.

And lastly, Environment Development services and Recreational & Cultural Services are both showing surplus' of just over \$14,200 which is believed to be a combination of both timing and staff trying to cut cost and save wherever possible.

At this time, we can anticipate a surplus of approximately \$50,000 at year end. This is only a projection based on some of the following and could change as the year progresses.

We recently learned that PVSC is in the process of reassessing mink farms in our municipality which will reduce our commercial revenue. We have recently received 1 of 5 appeals and as a result a \$6111 adjustment was made. We are unsure at this time if the other 4 will be completed and most likely adjusted as well in this fiscal year or next.

We had also budgeted \$10,000 for a part time staff member in the Administration/Finance Department, however, as you know a fulltime Deputy Clerk's position was approved for 18 months, therefore this line item will be over budgeted by approximately \$18,000. As previously discussed, other legal fees are estimated to be over budget by about \$5000 at the end of the sea cucumber appeal.

The Mariner's Center operating grant will be over budget by \$8770 due to recently receiving an invoice for our portion of the 2018-2019 deficit. We could also potentially expect a funding request for Communities in Bloom which would bring the Special Events Grants over the budgeted amount.

Garbage collection & disposal is another area which is always difficult to budget as it is volume driven. We do our best and usually a pretty good job at budgeting, however, items like the spring and fall pickups are very tricky to budget as they can fluctuate from year to year based on volume.

Planning and Zoning will be over budget by approximately \$20,000 based on the signing of the contract.

We will be receiving unexpected revenue that was not budgeted for and will help offset some of the expenses above. As you know there was a review done last fiscal year on Councils T4's and the Municipality was left to pay a CPP adjustment of approximately \$16,000. An appeal was made and as a result were advised that we will be receiving a credit. The amount is not known at this time, but it is anticipated that most of the amount paid out will be refunded back to the Municipality.