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## Report 2021-159

**Report Title:** August 2021 Year-To-Date Financial Results

**Committee Name:** Finance and Audit Committee

**Committee Meeting Date:** October 5, 2021

**Prepared by:** Matthew Nitsch, Deputy Treasurer

**Reviewed by:** Glenn Dees, Director of Finance/Treasurer

**Approved by:** Jennifer Moore, CAO

**Council Meeting Date:** October 20, 2021

**Strategic Plan Priorities:** Leadership in Change

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### Recommendation

**“That** the Finance and Audit Committee receive Report 2021-159 ‘August 2021 Year-To-Date Financial Results’ for information; and

**Further That** the Committee recommend that County Council receive this report for information.”

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### Purpose

To provide the Finance and Audit Committee and Northumberland County Council with an analysis of the County’s financial performance year-to-date as of August 31, 2021.

### Background

The variance analysis is aligned with objectives under the County’s long-term financial planning framework. This analysis ensures transparency and identifies potential financial opportunities, threats, ongoing monitoring and/or corrective actions allowing for responsive decision making.

## **Consultations**

N/A

## **Legislative Authority/Risk Considerations**

N/A

## **Discussion/Options**

The total variance to budget as of August 31, 2021 is \$10,602,000 favorable. This is comprised of:

- 1) A total variance for non-timing events of \$1,437,000 favorable; and
- 2) A total variance for timing events of \$9,165,000 favorable.

The largest variance (\$36M) is due to the timing of capital works. Most of this variance (\$30.6M) relates to the timing of the construction for the Golden Plough Lodge (GPL) and Northumberland County Archives and Museum (NCAM) redevelopment project. There is a \$32.2M timing variance because of the short-term construction financing (that has been draw at a slower rate than budgeted) from Infrastructure Ontario for the project. External services have a favorable variance of (\$1.7M) due to the timing of various projects. There is a favorable timing variance of (\$1.35M) because the full 2021 Gas Tax payment was received earlier than anticipated. There are significant favorable timing variances in the areas of GPL subsidy, repairs and maintenance, transportation supplies, and social services programs.

Financial impacts from the COVID-19 pandemic continue into August and are being tracked under non-timing events. We are continuing to see some variances in the areas of salaries/wages/benefits, materials and supplies, and revenues from POA offences. The overall magnitude of impacts will be assessed moving forward in the year and is dependent on longevity of the pandemic, the types and extent of imposed restrictions, County relief efforts, legislated requirements, further relief funding from upper levels of government, economic drivers such as monetary and fiscal policies and the broader economy as a whole. The Q2 financial update included a forecast with respect to anticipated 2021 COVID impacts. The County continues to receive funding related to COVID-19 from various Provincial Ministries for Social Services (Social Service Relief Funding), Long-term Care, Paramedics and towards general municipal operating pressures via the Ministry of Municipal Affairs and Housing (MMAH).

The County received a total of \$2,967,900 in 2020 in COVID-19 Safe Restart Municipal Operating funding and an additional \$496,168 in 2021 for COVID-19 Recovery Funding. That funding was partially used to cover the 2020 COVID-19 impacts. The balance can be used towards the 2021 COVID-19 impacts. At this time, we believe that this additional funding (as well as the specific additional COVID funding for the GPL, Paramedics, and Social Services) should be enough to cover the anticipated 2021 COVID impacts when we factor in the anticipated savings from travel and training.

## **Financial Impact**

The attached financial analysis condenses (at a high level) the financials results and impacts year-to-date as at August 31, 2021. Finance staff allocate the annual budget to each month of the year based on estimated timing of events capturing cyclical fluctuations for operational items typically based on prior year trends and estimated timing for capital projects; however, deviations for timing will ultimately occur based on unforeseen factors.

## **Member Municipality Impacts**

N/A

## **Conclusion/Outcomes**

N/A

## **Attachments**

1. August 2021 Variance Analysis Worksheet