

Report to Council

Report Title: 2019 Municipal Year End
Prepared By: Trish Serratore, Chief Financial Officer
Department: Finance
Date: October 27, 2020
Report Number: FIN2020-34 **File Number:** C11FIN
Attachments: Statement of Operations 2019

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2020-34 - 2019 Municipal Year End, prepared by Trish Serratore, Chief Financial Officer for information purposes and authorizes the following transfers:

- From Roads Reserve Fund: \$62,844.25
- From Library Reserve Fund: \$18,454.44
- From Municipal Drain (Kaake Drain) \$32,705.08
- From Municipal Drain \$336,569.78
- To General Working Reserve: \$134,607.44
- **Total Deficit \$361,332**

Report:

Background:

The following is a summary of the Brockton year-end as at December 31, 2019. This does not include all the Boards and Commissions that are included in the year-end December 31, 2019, Financial Statements that are prepared by the Municipal Auditors, Baker Tilly. This report shows the total budget, operating and capital, by department, the actual year-to-date, the budget and the variance from the budget as well as the percentage of the budget used to year end 2019.

Analysis:

As of December 31, 2018, revenue was \$163,181 or 0.87% under budget. Our operating expenditures were under budget by \$126,995 or 1% in 2019.

Year-end December 31, 2019, shows a total deficit of \$361,332. This is not due to operating or capital expenditures being over budget but below is an outline of each area that are the major contributors:

Municipal Operating and Capital Expense	Financial Impact	Funding Source
Municipal 2019 Deficit	(\$361,332.00)	
Trailer Sidewalk Cleaner	\$12,358.75	Roads Reserve Fund - included in 2019 budget, transfer not completed
Bridge Repair	\$4,450.37	Roads Reserve Fund - included in 2019 budget, transfer not completed
Lobies Bridge - Capital	\$6,909.94	Roads Reserve Fund - included in 2019 budget, transfer not completed
Yonge St (Durham - Jackson)	\$9,200.64	Roads Reserve Fund - included in 2019 budget, transfer not completed
Equipment - Truck #60	\$1,374.19	Roads Reserve Fund - included in 2019 budget, transfer not completed
McGivern Reconstruction	\$6,072.03	Roads Reserve Fund - included in 2019 budget, transfer not completed
Sidewalks - Downtown Corners	(\$2,418.50)	Roads Reserve Fund – Transferred back to Reserve Fund
Municipal Drains - Kaake	\$32,705.08	Municipal Drain Reserve Fund - included in 2019 budget, transfer not completed
Reconstruction - South Street	\$377.81	Roads Reserve Fund
Paving - Miscellaneous	\$24,519.02	Roads Reserve Fund
Walkerton Library	\$18,454.44	Walkerton Library Reserve Fund - included in 2019 budget, transfer not completed
Recreation – Soccer Fields	\$21,673.81	Recreation Reserve Fund
Recreation – Community Centre	\$23,691.63	Recreation Reserve Fund
Municipal Drains – Project Not Completed, Includes Russell, Lang, O Branch - Kaake and Koelen	\$336,569.78	Municipal Drain Reserve Fund – unfunded Municipal Drains, recoup once project is completed and invoicing is completed (completed in 2020)
	(\$134,607.44)	Working Capital Reserve
	\$0.00	

Upon reviewing the capital budget, there were several projects which the budgeted reserve funds were not transferred, approximately \$156,369. This is primarily due to timing of the year-end entries and the completion of the capital reconciliation, all transfers are within the approved 2019 budget amount.

In addition, in 2018 there was \$336,569.78 in operating expenses for Municipal drains in which the Municipality does not recoup these expenses until the project is completed and an assessment breakdown per household is completed and provided to the Municipality. Over the years Brockton has continued to fund the Municipal drains through the operating surplus. Due to the increase in these projects and in order to mitigate the impact on the Municipality and have a better visual of the Municipalities operating surplus/deficit, staff are recommending that these expenses be funded by the Municipal Drain Reserve Fund. Since 2016, there is approximately \$575,310.28 in Municipal Drain expenses that have not been recouped at this time. However, the Municipality will recoup these funds once the project is completed; three of the outstanding drains have been completed in 2020 with \$520,110.20 being collected by year-end.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? N/A
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective?
N/A

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer