



## STAFF REPORT

For: Mayor and Council  
Prepared by: John France Acting CAO  
Subject: Financial Statements/Variations October 2020  
Meeting date: October 20, 2020

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### BACKGROUND

The 2020-2024 Budget and subsequent Financial Plan Bylaw was adopted by Council in early 2020. The budgeting process allows municipalities to prioritize projects, programs and service levels based on anticipated revenue and expenses. The budget document provides a framework to ensure project spending is on track, expenses are appropriate, and it provides a level of control over spending. It also identifies revenues to support Council's long-term financial plans.

A financial statement/variance report provides information to Council on the progress of the work plan approved during Financial Planning. The report also ensures that the actual results are aligning with approved budgets and any variances are investigated and explained.

### DISCUSSION

The Village's operational revenues and expenses are summarized in the attached spreadsheet and financial statements. Staff will go through each attachment to explain variances to date.

Generally, Staff have estimated a very conservative \$213,000 surplus. Here are the reasons and comments on the surplus:

1. The estimate is conservative because there are several unspent budgets which simply may be a planned late year expenditure. Staff are following up on this item, overall impact is negligible.
2. COVID impacted heavily on several budgets, Recreation, Legislative and Admin. Admin was unspent mainly due to the absence of a CAO.
3. Public Works surplus impacted by personnel issues.

4. Overall, Staff reduced spending early in the year. However, many projects were put on hold and will have to be addressed during the 2021 budget discussions. A capital project update will be given verbally at the meeting.
5. Staff, in past three weeks, have worked with MAIS to input budget numbers and balance the financials. There is still work to do on this issue and it is expected to be completed before October end. This also applies to the budgeting program but with a later completion date. This work impacted on the detail work needed to determine the surplus more accurately. A variance report will be produced in November which will provide a clearer financial picture. Again, Staff fully expect the surplus to grow and probably substantially.

Staff suggest that although the surplus may be large (and is probably larger still), many financial pressures exist both for operations and capital projects. 2021 will be a challenging year.

#### **OPERATING & CAPITAL PROJECTS**

As stated above, this info will be available at the meeting.

#### **STAFF RECOMMENDATIONS**

THAT Council receives the Acting CAO's report on the Financial Statements/Variations October, 2020 and;

THAT Staff provide Council with a Variance Report for the second Council meeting in November

Respectfully submitted,

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John France Acting CAO