



## REPORT ADMINISTRATION/FINANCE/FIRE COMMITTEE

**DATE:** May 16, 2022

**REPORT NO:** T-12-2022

**SUBJECT:** Financial Update as of April 30, 2022

**CONTACT:** Donna DeFilippis, Director of Finance and Treasurer

### OVERVIEW:

- Presentation and analysis of operating and capital expenditures as of April 30, 2022

### RECOMMENDATION:

That, Information Report T-12-2022, regarding the “Financial Update as of April 30, 2022”, dated May 16, 2022, be received for information.

### ALIGNMENT TO STRATEGIC PLAN:

#### Theme #6

- Efficient, Fiscally Responsible Operations- the Township of West Lincoln is a lean organization that uses sustainable, innovative approaches and partnerships to streamline processes, deliver services and manage infrastructure assets.

### BACKGROUND:

The Finance Department has completed a review of operating results up to the end of April 30, 2022. **Appendix A** is a summary of the Operating Revenues and Expenditures up to April 30, 2022. The analysis has taken into account the timing and seasonality of certain budget lines. The column titled “Budget” under the “Operating YTD” heading on the attached analysis indicates the portion of the budget that would be expected to be expended as of April 30, 2022. This report summarizes the actual operating expenditures up to April 30, 2022 by service area. **Appendix B** to this report is a presentation of April 30, 2022 results by “object” code and includes Capital expenditures. **Appendix C** to this report is a listing of the Township Reserve Balances projected to December 31, 2022. **Appendix D** to this report provides a summary of costs incurred as a result of the Covid-19 pandemic as of April 30, 2022.

### CURRENT SITUATION:

#### Revenue Analysis:

All revenue items are currently on track, with the exception of Facility Rentals, which have

been impacted by COVID-19 related closures. Details regarding COVID-19 are provided further in the report. Council has approved the final 2022 tax rates and final property tax bills will be issued in late June, with two instalment dates proposed for the end of July and the end of September.

**Expenditure Analysis:**

Township operating budgets are currently within the approved budget and at this point there are no items of concern.

**Financial Impact of COVID-19:**

The COVID-19 pandemic continues to impact the finances of the Township in 2022.

**Appendix C** outlines the costs and lost revenue as a result of COVID-19 up to April 30, 2022. On January 3, 2022, the Provincial government announced that Ontario would move to a modified Step 2 of its Roadmap to Reopen, effective January 5, 2022 at 12:01a.m. This meant the closure of the Community Centre until January 30<sup>th</sup>, 2022, with a re-opening date of January 31, 2022. This closure impacted the Facility Rental Income that the Township collects. In addition, the Township was required to screen visitors to our facilities for proof of vaccination by QR (Quick Response) code and ID for all patrons 12 and over up to March 1, 2022.

Staff are fortunate that the Township has been in receipt of Provincial Funding to assist with the financial burden that the COVID-19 pandemic and response plan has had on the Township. In 2020, the Township received \$329,800 from the Province of Ontario through the Safe Restart Agreement, of which \$48,087 has been transferred into the Contingency Reserve to be used to fund 2021 COVID-19 costs. In December 2020, the Province announced that it would transfer an additional \$66,000 to the Township to assist with the COVID 19 impacts. Finally, on March 4<sup>th</sup>, 2021 funding of \$267,744 was announced from the Province through the 2021 COVID-19 Recovery Funding for Municipalities program. This last allocation was based on a formula that takes into account the proportion of COVID-19 cases in the local health unit between January 1 and February 18, 2021. In total, \$381,831 in funds were available in 2021 to assist with COVID-19 impacts to the Township Operating fund. At the end of 2021, staff were able to retain \$96,802.28 of this funding to use for 2022 COVID 19 costs.

In addition, Township staff made application through the Niagara Region for consideration for funding to assist with costs incurred and revenue lost in relation to the Township's role in hosting COVID-19 vaccination clinics. Staff were informed by Niagara Region staff on March 31<sup>st</sup>, 2022 that the full amount applied for: \$50,063.99 was approved by the Province and would be forwarded to the Township. This funding, along with previous unallocated provincial grants provides the Township **\$146,866.27** to fund COVID-19 related costs and to off-set lost revenues. **Appendix D** indicates that as of April 30, 2022, the Township has incurred a total of \$85,400 in lost revenues and additional costs related to COVID-19.

**Purchasing Activity:**

The Township's purchasing policy grants the CAO purchasing authority up to \$100,000.

The chart below summarizes the approvals from the CAO up to April 30, 2022.

Vendor	Amount	Project
LandSource Organix	\$ 18,313.46	Overseed and Repair the East and West front lawn areas at the West Lincoln Community Center

The above purchase is being funded through the West Lincoln Community Center Maintenance Holdback held by the Township.

### FINANCIAL IMPLICATIONS:

Amendments to the approved budget are requested by staff when they become aware of changes to the original Council approved budget. As part of the 2022 budget approval, Council approved the following recommendation:

*“7. That, Council delegate authority to the CAO to approve in year 2022 budget amendments up to \$20,000 per item and to report to Council on a monthly basis regarding such amendments; and, “*

Any amounts over \$20,000 would go directly to Council for approval

To date, the following budget amendments have been approved:

Number	Description	Amount	Funding Source
BA2022-01	Finance Department Digitalization	\$ 143,000.00	Provincial Grant
		\$ 17,676.00	Contingency- Modernization Grant - leftover budget project
		\$ 10,000.00	Technology - leftover Financial software project
		\$ 7,324.00	Operating Budget- Consulting
		\$ 178,000.00	Total
BA2022-02	Grader Purchase	\$ 63,000.00	Equipment Reserve
BA2022-03	Road Rehabilitation Project	reallocation	reallocation

### INTER-DEPARTMENTAL COMMENTS:

This report has been reviewed by the CAO.

### CONCLUSION:

It is concluded that Council receive the Financial Update as of April 30, 2022 Report as an item of information.

**Prepared & Submitted by:**



**Donna DeFilippis, Director of Finance**

**Approved by:**



**Bev Hendry, CAO**