



# Staff Report to Council - for Information

**Title:** First Quarter Financial Statement Review 2024

**From:** Lynn Hatten, Acting Director of Corporate Services

**Date:** May 16, 2024

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## Report Purpose:

The First Quarter 2024 Financial Statement Review Report is for information.

## Report Summary:

Prepared following financial review with department heads, the purpose of this report is to identify emerging areas of concern which will be monitored closely to ensure mitigating steps are proactively taken where possible. Forecasts are calculated based on previous spending patterns in comparison to the current year's spending to date and budget, incorporating known events which may alter the subsequent spending pattern. Currently the forecast is projecting a year-end surplus of approximately \$1,613,563. This is the equivalent of 0.98% of annual budgeted expenditures.

## Background:

The county continues to hold a small balance of funds from the Safe Restart funding received at the start of the pandemic. All other pandemic funding has ended. Safe Restart funds will be used to offset expenses related to the long-term impacts of the pandemic, including increased homelessness, and economic recovery for local businesses.

In the first quarter of 2024, salary and benefit variances have been realized due to vacancies within multiple professional level positions. These vacancies, influenced by the current labour pool, market conditions and our geographic location have led to some of the positions being vacant for longer periods of time. The current challenge in attracting professional level skillsets are due to the high demand, alternate availability of employment options and skill shortages of the positions we are recruiting for. In some cases, in order to ensure the continued, timely and safe provision of services the county utilized external consultants and agency staff to provide services. These external resources are generally being provided at an increased cost but utilization has been on the decline which is neutralizing the impact to the financial statements.

In 2024, there are 166 identified capital projects across the organization, including the 2023 carryover projects. As of the first quarter, 56 projects were in progress, 5 had been completed and no projects were identified as being at risk for exceeding the budget at this time.

The next update will be for the period ending June 30, 2024 and presented in August.

**OFFICE OF THE CAO (\$7,995 surplus forecasted at yearend)**

- The OOCAO, including Council, is projecting a surplus overall.

**HUMAN RESOURCES (\$80,835 surplus forecasted at yearend)**

- A salaries and benefits surplus of \$16,000 is mainly the result of vacancies and new staff placement lower on the salary grid.
- Surpluses are projected in professional services and computer software maintenance \$9,000, advertising \$27,000, service awards \$17,000.
- Current projections suggest that the Health and Safety program will see a surplus of \$134,000 largely due to staffing vacancies and consultant services. This will reduce the amount to be transferred from the WSIB reserve.

**LONG TERM CARE & SENIOR SERVICES (\$212,340 projected surplus at yearend)**

- Increased per diem funding averaging 6.6% across the envelopes was announced in April and is factored into this projection. Resident acuity adjustments have not been announced and remain projected at budget.
- BSO (Behavioural Supports Ontario) spending for both homes is being monitored to ensure that all available funding is being claimed where possible.

**Brucelea Haven (\$92,221 surplus forecasted at yearend)**

- Funding announcements related to per diems resulted in a surplus of \$358,000.
- The preferred portion of resident accommodation fees (including Ministry reimbursement for waived co-pay and alternate level of care (ALC) programs) is projected to fall short of budget and generate a deficit of approximately \$56,000.
- Salaries and benefits across divisions (excluding Nursing) are generating a surplus of \$185,000 as a result of not being able to fill all shifts and staffing changes.
- Nursing is projecting a \$227,000 deficit in the program overall.
  - Agency staffing in excess of Staffing Supplement funding is unbudgeted and projected at an annual cost of \$993,000. This is being offset by salaries and benefits surplus of \$858,000 for vacant shifts.
  - The county's high needs expenditures reflect a deficit of \$80,000. The province reimburses up to 95% of cost, but the county must cover the remainder.
  - Medical and nursing supplies and outbreak supplies could see a deficit of \$34,000.
- Other Accommodation programs are projecting a deficit of \$15,000 in maintenance and supplies, and higher than budgeted utilities costs of \$24,000.

- Nutritional Support is trending toward a \$41,000 deficit at year end based on average weekly spending, which is partially offset by the increased per diem mentioned earlier.

#### **Gateway Haven (\$111,882 surplus forecasted at yearend)**

- Funding announcements related to per diems resulted in a surplus of \$245,000.
- The preferred portion of resident accommodation fees (including Ministry reimbursement for waived co-pay and alternate level of care (ALC) programs) is projected to fall short of budget and generate a deficit of approximately \$79,000 by yearend.
- Salaries and benefits across divisions (excluding Nursing) are generating a projected surplus of \$88,000 as a result of not being able to fill all shifts.
- Nursing is projecting a \$48,000 deficit.
  - Agency staffing in excess of Staffing Supplement is projected at \$1.50 million for the year, which is offset by reduced salary and benefit costs of \$1.56 million.
  - Medical and nursing supplies, outbreak supplies and equipment maintenance costs are trending to an underspend of \$23,000.
- Other Accommodation programs are projecting a deficit of \$70,000 in maintenance, supplies, and utilities costs.
- Nutritional Support is trending toward an \$18,000 deficit at year end based on average weekly spending, which is partially offset by the increased per diem mentioned earlier.

#### **Senior Services (\$4,237 surplus forecasted at yearend)**

- The full rollout of this program has yet to materialize due to the need to focus efforts on Long Term Care due to staffing shortages.

#### **PARAMEDIC SERVICES (\$14,116 surplus forecasted at yearend)**

- Salaries and benefits are projecting a \$209,000 surplus which is offset by eliminating a \$209,000 transfer from reserve to offset increased salaries.

#### **MUSEUM (\$126,266 surplus forecasted at yearend)**

- Salaries and benefits are currently projecting a \$51,000 surplus as a result of a vacancy in the first quarter of 2024.
- Current spending patterns suggest marketing will be \$20,000 underbudget, utilities \$23,000 underbudget, and other operating expenses are combining to be \$16,000 underbudget.

## **TRANSPORTATION & ENVIRONMENTAL SERVICES (\$704,246 surplus forecasted at yearend)**

- Administration is projecting an \$18,000 surplus driven by deficits in salaries and benefits and insurance being offset by surpluses in equipment usage, utilities, staff training and health and safety.
- Winter Control is currently projecting a surplus of \$646,000 because of lower-than-expected staffing and equipment costs for snow plowing and sanding in the first quarter of 2024, in addition to changing the type of salt used. This number is subject to change dependent on the severity of the start of the 2024/2025 winter season.
- Shouldering and cold mix patching are trending to a deficit of \$13,000 based on Q1 activity.
- Traffic and Roadside operations are trending to a surplus of \$90,000 if costs following the spending pattern of Q1.
- Forestry operations are projecting a deficit of \$60,000 as budgeted woodlot revenue will not materialize in 2024.
- Trails operations are projecting a surplus of \$29,000 as a result of a staffing vacancy.
- Other operating programs had not yet commenced regular spring activity as of the end of March and are therefore being projected at budget.
- As of the first quarter, no Capital projects had been identified as at risk of going over the 2024 budget amount.

## **CORPORATE SERVICES (\$115,181 surplus forecasted at yearend)**

- Salaries and benefits are currently projecting a \$79,000 surplus because of temporary staffing vacancies and positioning on the salary grid.
- Staff-related and office-related costs are estimating a \$28,000 surplus.
- Insurance premiums are forecasting a \$6,000 surplus.

## **INFORMATION TECHNOLOGY (\$242 surplus forecasted at yearend)**

- A variety of accounts are forecasting small offsetting surplus/deficits.

## **LIBRARY (\$46,537 surplus forecasted at yearend)**

- Revenues are forecasting a \$10,000 surplus.
- Salaries and benefits are currently projecting a \$40,000 surplus due to vacancies and new staff placement on the salary grid.

## **HUMAN SERVICES (\$74,290 deficit projected at yearend)**

- Housing Services is forecasting a \$96,000 surplus, mainly due to salaries and benefits.
- Housing Facilities Program is trending towards a \$290,000 deficit.
  - Rental income is projected at a \$36,000 deficit at year end.

- Salaries and benefits are estimating a \$50,000 surplus.
- The following deficits are being projected: Property taxes \$80,000, Utilities \$47,000, Maintenance costs \$15,000, Painting \$81,000, Insurance premiums \$50,000, Interest \$36,000
- Income & Employment Support Programs are trending towards a \$41,000 surplus. There is projected surplus in admin of \$49,000 mostly due to a surplus in salaries and benefits. Indigent funerals are currently predicting a \$8,000 deficit.
- Children's Services Programs are projecting a \$67,000 surplus, mainly due to salaries and benefits.

**LAND USE PLANNING and ECONOMIC DEVELOPMENT (\$27,539 deficit projected at yearend)**

- Land Use Planning is trending towards a total \$222,000 surplus.
  - Revenues are trending toward a \$47,000 deficit due to lower volumes.
  - Planning salaries and benefits are currently projecting a surplus of \$270,000 due to vacancies.
  - Professional services are projecting a \$15,000 deficit.
  - Advertising and administrative costs are trending towards a \$18,000 surplus.
- There is an anticipated deficit in the Economic Development division of \$249,000.
  - Salaries and benefits are currently projecting a deficit due to an unbudgeted council approved position that is being covered by the general county surplus.
  - Program funding is estimating a \$10,000 surplus.

**EMPLOYMENT SERVICES**

- Spending is currently being managed within the available funding.

**NON-DEPARTMENTAL (\$407,634 surplus projected at yearend)**

- Payments in lieu and supplementary taxes are estimating a surplus of \$572,000.
- Tax write-offs are estimating a \$194,000 deficit.
- We have not projected the impact of estimated supplementary taxes and write-offs due to limited information available.
- Investment income is estimated at \$2,368,000 higher than budget based on market returns, which will be entirely transferred to reserves, creating no surplus impact.
- Facilities is anticipating a surplus of \$31,000 overall, mainly related to lower than budgeted spending to date at the Cayley Street facility. Of this surplus, \$28,000 is expected to be transferred to Facilities reserve at year end.
- Public Health Transfer is \$25,000 lower than budgeted.

**Financial/Staffing/Legal/IT Considerations:**

There are no staffing, legal or IT considerations associated with this report.

**Interdepartmental Consultation:**

Departments have received their first quarter financial statements and projection and attended quarterly meetings to discuss any questions or concerns.

**Link to Strategic Goals and Objectives:**

The recommendations for allocation of the annual surplus align with the strategic plan value of Financial Sustainability and helps to build capacity to sustain our resources.

**Report Author:**

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**Departmental Approval:**

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