

**Subject:** May 2021 Financial Reports**Recommendation:**

**BE IT RESOLVED THAT Council receive Report #2021-0121-Corporate Services, May 2021 Financial Reports, for information.**

**Background:**

The Corporate Services Department has prepared the attached financial reports, as at May 31, 2021 for the information of Council. The MCC report also includes non-financial indicators such as hydro usage. Transit reports will now be provided quarterly due to the routine nature of revenue and expenditures during the pilot program with the Region.

**Analysis:**

Appendix 1 to this report summarizes operating revenues compared to budget as at May 31, 2021, with approximately 42% of the year lapsed. Total revenues were at approximately 40% of budget. The financial impact from the closure of facilities and cancellation of programs as a result of COVID-19 are evident in the Recreation, Culture and Wellness department in particular, and Safe Restart Phase 2 funding has been applied to the shortfall. Most other revenue sources are in keeping with the budget, with some grant funding still pending in Public Works and Finance. The MCC closed on January 1, 2021 and was reopened March 2, 2021. On April 3, it was closed again and the impact is seen on the May financial report, and will be evident in June as well. Four months of water and wastewater had been billed and are at 30% of budget because consumption tends to be higher in the summer months.

The Phase 2 Safe Restart COVID-19 funding has been applied to \$366,391 in lost revenues at the MCC, and \$178,734 to offset the direct COVID-19 expenses incurred to May 31, 2021, for a total of \$545,125 out of the total \$969,149 available for 2021 operating pressures. The 2021 operating budget included \$602,350 in Safe Restart COVID-19 grant funding, which was an estimate of the funds that would be available to carry forward to 2021. At December 31, 2020, the Town carried forward \$621,259 in Phase 2 Safe Restart COVID-19 funding which must be used to offset COVID-19 operating pressures in 2021. Because the budget

was \$602,350 and the carryforward was \$621,259, there is a favourable variance of \$18,909 as well as an additional \$347,890 in 2021 COVID-19 Recovery Funding announced. All of these funds must be used to offset COVID-19 operating pressures, and they will be needed to alleviate the operating pressures due to lost revenues during the shutdown and increased costs caused by the pandemic.

Appendix 2 to this report summarizes operating expenditures compared to budget at May 31, 2021. Total expenses were at approximately 38% of budget and appeared to be on track. This report includes \$178,734 of direct costs related to COVID-19 such as purchase of computer equipment, additional cleaning costs, and personal protective equipment and protective facility materials.

Appendix 3 summarizes the revenues and expenditures related to the MCC at May 31, 2021. MCC revenues were at 14% of budget and trending below budget due to closures from COVID-19 from January 1 to March 2, and again closing on April 3. The MCC gymnasium opened to the public in April as a vaccination clinic site. Youth camps commenced in July 2021, but at time of writing the remainder of the building is closed to the public (anticipated to be partially open on July 16). The MCC is scheduled to open on July 25, 2021 for public use, subject to provincial COVID-19 restrictions.

The budget is also lower than previous years, to reflect reduced revenues that were anticipated due to the pandemic. Senior Active Living Centre grant funds continue to be received and MCC expenses were at 32% of budget, which is below the expectation for the first five months of the year as a result of reduced wages from the facility closure and some expenses for contract services and repairs and maintenance, which are anticipated but have not yet been incurred. Phase 2 Safe Restart funding of \$366,391 has been applied based on estimated lost revenues from January to May, resulting in a bottom line deficit of 17% of budget; however this is expected because the MCC normally generates a high level of revenues early in the year which will be needed to offset expenditures in future months. Currently Safe Restart funding applied to the MCC is at 74% of the budget for the year, and will be adjusted as the year progresses and the operating pressures resulting from COVID-19 are evaluated by the Treasurer.

It is difficult to predict the impact of COVID for 2021 and assessing if we have enough Safe Restart grant funding to cover the COVID pressures at this point in time. The key factors depend on the opening of the Meridian Community Centre with its full operations along with all the Recreational programming. The additional unbudgeted funding of \$347,890 will definitely be needed to offset revenue losses and additional expenditures due to COVID.

**Financial Considerations:**

There are no specific financial considerations with respect to this report as it is for information purposes.

**Alternatives Reviewed:**

Not applicable.

**Strategic Plan Relationship: Strong Organization**

By reviewing the monthly financial reports, Council can remain informed about whether there are any significant budget variances that would impact year-end financial results.

**Consultation:**

These reports have been provided to the Pelham Finance and Audit Committee for information.

**Other Pertinent Reports/Attachments:**

Appendix 1 – Monthly Revenue Report at May 31, 2021

Appendix 2 – Monthly Expenditure Report at May 31, 2021

Appendix 3 – Meridian Community Centre Report at May 31, 2021

**Prepared and Recommended by:**

Charlotte Tunikaitis, CPA, CA  
Deputy Treasurer

Teresa Quinlin, MBA, CPA, CA  
Director of Corporate Services/Treasurer

**Prepared and Submitted by:**

David Cribbs, BA, MA, JD, MPA  
Chief Administrative Officer