



## STAFF REPORT

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**DATE:** October 30, 2020 **FILE:** 0550-04 Board

**TO:** Chair and Directors  
Regional Board

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** 2020 PRELIMINARY SURPLUS REPORT – CORPORATE & REGIONAL SERVICES

### **PURPOSE/PROBLEM**

To provide the Board with preliminary information pertaining to annual surpluses in advance of the upcoming 2021-2025 budget sessions.

### **EXECUTIVE SUMMARY**

Staff monitor actual results to those projected by the Financial Plan through regular review and reporting provided by the Finance department. As the budget cycle progresses and initial estimates are being proposed a necessary step is to review prior year surplus, carry forwards, and any unspent contingency amounts to determine the effect of changing surplus balances on the upcoming tax requisitions.

The information in this report is preliminary and staff will be monitoring the balances for the current budget until a 2021-2025 Financial Plan is recommended. With the onset of COVID-19 this has been a particularly challenging step relative to prior years, so an added degree of caution is likely warranted for any forecasted data presented during the overall budget cycle. As reporting progresses staff will revise amounts as necessary and advise the Board of any significant changes to these estimates.

Each section of the attached report leads off with a overview chart comparing the 2020 preliminary surplus estimates to the 2019 actual surplus carry forward. These charts are then followed with detailed information for each function, providing supplemental details on the forecast.

### **RECOMMENDATION**

THAT the report from the Chief Administrative Officer be received.

Respectfully:



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David Leitch  
Chief Administrative Officer

**Prepared by:** Mike Harmston, CPA, CGA, Chief Financial Officer

**Attachments:** 2020 Preliminary Surplus Forecast

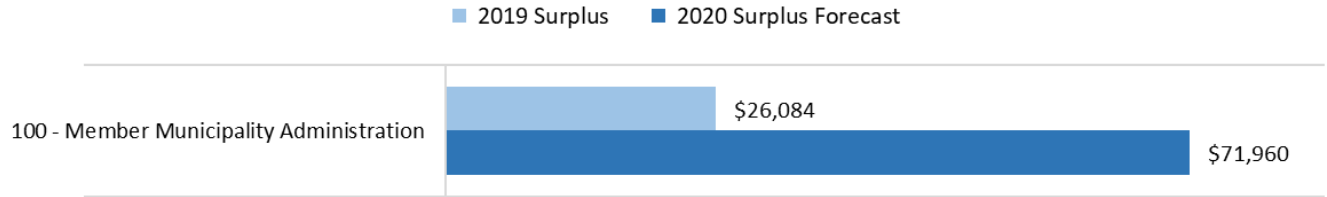
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Strathcona Regional District  
2020 Preliminary Surplus Forecast

Member Municipality Administration  
&  
Corporate Administration

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Member Municipality Administration: 2020 surplus forecast vs the prior year :



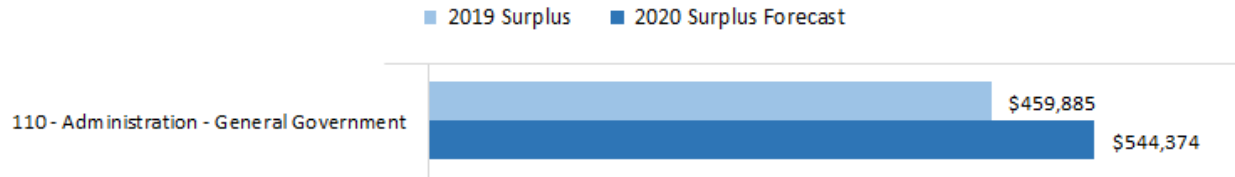
100 – Member Municipality Administration

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 376,933	\$ 376,933	\$ -	0.0%
Grants in lieu	76	3,000	(2,924)	(97.5%)
Prior year surplus	26,084	25,361	723	2.9%
<b>Operating Revenue Total</b>	<b>403,093</b>	<b>405,294</b>	<b>(2,201)</b>	<b>(0.5%)</b>
Operating Expense				
Operating expenses	331,133	405,294	74,161	18.3%
<b>Operating Expense Total</b>	<b>331,133</b>	<b>405,294</b>	<b>72,683</b>	<b>17.9%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 71,960</b>	<b>\$ -</b>		

Notes:

- General spending declines due to COVID19 and lack of in-person meetings and travel.

Corporate Administration: 2020 surplus forecast vs the prior year :



110 - Administration - General Government

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 1,002,551	\$ 1,002,551	\$ -	0.0%
Grants in lieu	139,798	137,000	2,798	2.0%
Government transfers	240,000	321,646	(81,646)	(25.4%)
Other revenue	1,306,497	1,414,872	(108,375)	(7.7%)
Sales of services	52,420	52,420	-	0.0%
Prior year surplus	459,884	410,573	49,311	12.0%
<b>Operating Revenue Total</b>	<b>3,201,150</b>	<b>3,339,062</b>	<b>(137,912)</b>	<b>(4.1%)</b>
Operating Expense				
Operating expenses	2,338,502	3,020,788	682,286	22.6%
Transfers to reserves	210,000	210,000	-	0.0%
Debt principal	42,925	42,925	-	0.0%
Debt interest	65,349	65,349	-	0.0%
<b>Operating Expense Total</b>	<b>2,656,776</b>	<b>3,339,062</b>	<b>682,286</b>	<b>20.4%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 544,374</b>	<b>\$ -</b>		

Notes:

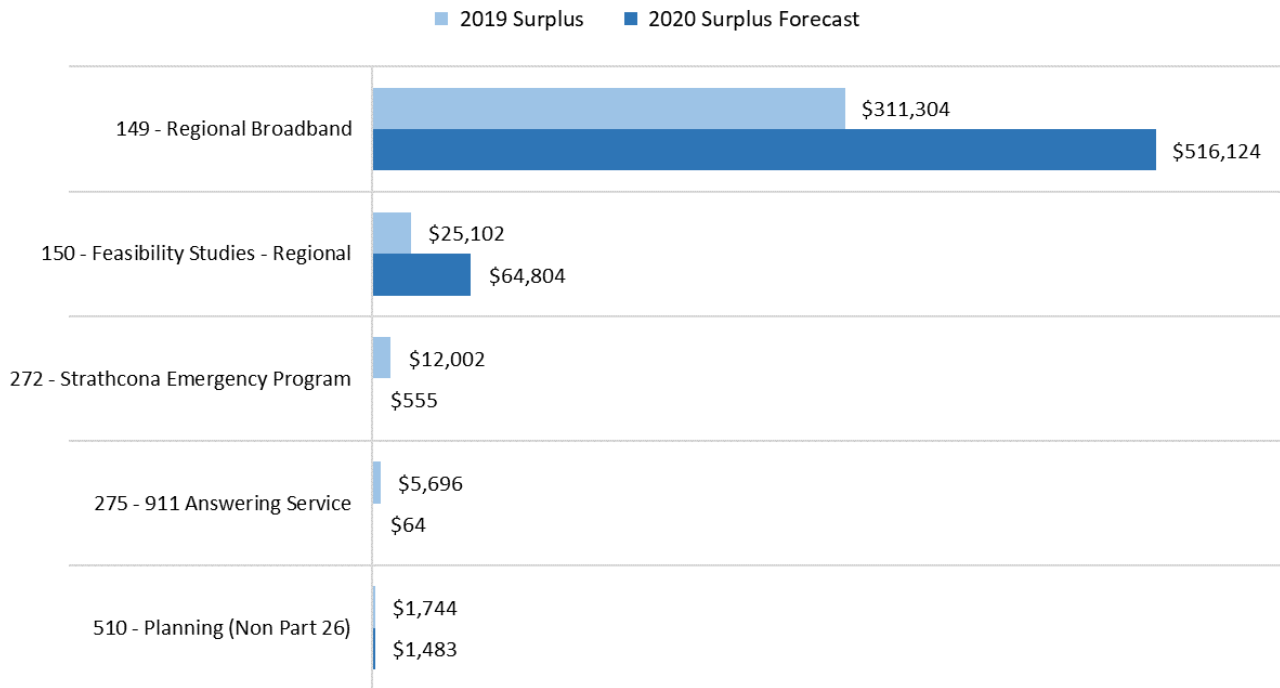
- Decline in Government Transfers relate to deferred spending on the Community Health Network program.
- Decline in Other Revenues primarily related to internal transfers due to spending declines.
- Spending variance mainly attributable to staff vacancies and declines in travel and training due to COVID-19.
- Carry forward of Strategic Initiative budgets.
- Repairs and maintenance and minor capital purchases slightly elevated due to COVID implications, including plexiglass screens, increased cleaning, and mobilizing staff to work from home.
- Corporate vehicle usage declines due to vehicle sharing restrictions

# Strathcona Regional District

## 2020 Preliminary Surplus Forecast

### Regional Services

Regional Services: 2020 surplus forecast vs the prior year :



## 149 - Regional Broadband

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 312,839	\$ 312,839	\$ -	0.0%
Prior year surplus	258,823	258,823	-	0.0%
Operating Revenue Total	571,662	571,662	-	0.0%
Operating Expense				
Operating expenses	10,458	526,582	516,124	98.0%
Other transfers	45,080	45,080	-	0.0%
Operating Expense Total	55,538	571,662	-	0.0%
Surplus/(Deficit)	\$ 516,124	\$ -		

## Notes:

- Other transfers include final payback of 2018 Feasibility study.
- Surplus due to accumulating funds to provide working capital and support any grant ineligible costs such as legal fees, consultation, procurement, and other listed costs.

## 150 - Feasibility Studies - Regional

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Other revenue	45,080	45,080	-	0.0%
Prior year surplus	25,101	25,002	99	0.4%
Operating Revenue Total	70,181	70,082	99	0.1%
Operating Expense				
Operating expenses	5,377	70,082	64,705	92.3%
Operating Expense Total	5,377	70,082	-	0.0%
Surplus/(Deficit)	\$ 64,804	\$ -		

## Notes:

- Spend related to Home Away From Home and Library Financing Feasibility Study.
- Expense budget typically serves as contingency for any opportunities that arise throughout the year.

## 272 - Strathcona Emergency Program

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 310,422	\$ 310,422	\$ -	0.0%
Government transfers	296,835	389,835	(93,000)	(23.9%)
Prior year surplus	12,002	13,197	(1,195)	(9.1%)
Operating Revenue Total	619,259	713,454	(94,195)	(13.2%)
Operating Expense				
Operating expenses	608,704	703,454	94,750	13.5%
Transfers to reserves	10,000	10,000	-	0.0%
Operating Expense Total	618,704	713,454	94,750	13.3%
Surplus/(Deficit)	\$ 555	\$ -		

## Notes:

- Anticipated to be overall on budget given lower volunteer engagement costs due to COVID and moving to more online meetings.
- The program was very active during 2020 and currently working on various grant projects that were all 100% senior government funded. Many currently in progress to be carried into 2021.

## 275 - 911 Emergency Answering Service

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 421,376	\$ 421,376	\$ -	0.0%
Prior year surplus	5,696	2,914	2,782	95.5%
Operating Revenue Total	427,072	424,290	2,782	0.7%
Operating Expense				
Operating expenses	427,008	424,290	(2,718)	(0.6%)
Operating Expense Total	427,008	424,290	(2,718)	(0.6%)
Surplus/(Deficit)	\$ 64	\$ -		

## Notes:

- On budget.

510 - Planning (Non Part 26)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Prior year surplus	1,744	1,744	-	0.0%
Operating Revenue Total	1,744	1,744	-	0.0%
Operating Expense				
Operating expenses	261	1,744	1,483	85.0%
Operating Expense Total	261	1,744	1,483	85.0%
Surplus/(Deficit)	\$ 1,483	\$ -		

Notes:

- Contingencies unspent in 2020.