

To:	Warden Hicks and Members of Grey County Council
Committee Date:	February 24, 2022
Subject / Report No:	FR-CW-05-22
Title:	2021 Year-End Transfers
Prepared by:	Sue Murray, Manager of Budgets and Accounting
Reviewed by:	Mary Lou Spicer, Director of Finance Kim Wingrove, CAO
Lower Tier(s) Affected:	None
Status:	Recommendation adopted by Committee as presented per Resolution CW34-22; Endorsed by County Council March 10, 2022 per Resolution CC22-22;

Recommendation

1. That Council receive Report FR-CW-05-22 titled 2021 Year-End Transfers and approve the recommendations, as contained and estimated in Report FR-CW-05-22, regarding transfers to and from Reserve; and
2. That Council approve any surplus/deficit arising in the 2021 budget be transferred to/(from) the respective departmental reserves.

Executive Summary

The purpose of this report is to provide information to Council regarding the estimated year-end surplus/deficit amounts per functional area and to provide staff with the authority to make the following adjustments necessary to finalize the County's 2021 year-end financials:

- Year-end surplus and deficit transfers – Identifies surplus and/or deficit and recommends on how to allocate surplus or fund deficits.
- Year-end transfers for purchases that were budgeted to occur in 2021 and need to be carried forward to 2022 – Recommends the transferring of taxation and/or the allocation of reserve funding that projects can be undertaken in 2022.
- Year-end transfers for donations for specific purposes – Donations received for specific purposes are recommended transferred to reserve to be utilized for these purposes when undertaken.

Background and Discussion

In April 2021 staff presented a Reserve and Reserve Fund Policy which was adopted as presented by the Committee of the Whole through Resolution CW79-21. A link to this policy is included in the Appendices and Attachments section of this report.

Each Department has reviewed its actual to budget figures as of mid-February 2022 and has projected a year-end position by estimating results still to happen. These projections have been used to recommend 2021 transfers to and from reserves. These transfers are estimates and will be finalized once all 2021 budgeted and endorsed transactions have been completed. Council will receive the final year-end figures when the audited financial statements are presented in May 2022.

In addition to year-end surplus and deficit transfers, this report deals with transfers for purchases that were budgeted to occur in 2021 but that have been delayed until 2022. The County's auditors require a Council resolution authorizing staff to transfer unspent funds to reserve for use in the 2022 budget.

Where COVID-19 departmental specific funding is projected to not be sufficient to fund these 2021 COVID-19 costs, the allocation of funding from the Federal-Provincial Safe Restart Reserve is being allocated to these budgets to assist with these expenditures. Various sources of COVID-19 funding requires reporting requirements with timelines established by the province. Staff have allocated costs to COVID-19 cost centres based on what staff believe are eligible criteria based on information provided by the province.

The County has also received donations to be used for specific purposes. These funds are required to be transferred to reserve to be used for these specific purposes.

The non-budgeted transfers included in this report are estimates at this time and the actual transfers to and from reserves may vary once all 2021 budgeted and endorsed transactions have been completed.

Summary

The following table summarizes the projected year-end surplus or deficits by functional area that have been estimated by each Department. The 2021 year-end financial review projects a year-end surplus of \$363,100. As reported previously, savings continue to occur as a result of the pandemic, with reduced expenditures in materials and supply lines, maintenance activities, staff training, travel and meals, etc. It should be noted that the impact of COVID-19 on two budget years has resulted in delays to a number of projects, deferral of annual maintenance work and supply chain shortages. While this has in some cases created surplus funds for 2021, it will also create challenges in undertaking work in 2022.

Summary of Projected Year-End Surplus / (Deficit) by Function

2021 Budget by Function	Projected Year-End Surplus/(Deficit)
Corporate Services	\$9,700
Planning and Community Development	\$180,400
Human Services	\$(474,800)
Transportation and Public Safety	\$647,800
Total	\$363,100

Surplus / (Deficit) Transfers To / From Reserve

The following table lists the functional area surplus/deficit amounts and the transfers to/from reserve to fund any surplus / (deficits).

Department/Function	Reserve / Notes	Projected Surplus/ (Deficit)	Estimated To/From Reserve Amount
Corporate Services	Portfolio Projected Surplus/(Deficit)	\$9,700	
	One-Time Funding Reserve		\$9,700
Planning & Community Development	Portfolio Projected Surplus/(Deficit)	\$180,400	
	Planning – General Reserve		\$16,300
	Agriculture – One Time Funding Reserve		\$4,200
	Economic Development – One-Time Funding Reserve		(\$18,300)
	Tourism – One-Time Funding Reserve		\$30,000
	Grey Roots – Capital Renewal and Replacements (General)		\$148,200
Human Services	Portfolio Projected Surplus/(Deficit)	\$(474,800)	
	Social Services – One Time Funding Reserve		\$369,300
	Housing Operating and Capital – One-Time Funding Reserve		(\$175,000)
	LTC – Grey Gables – Grey Gables Reserve		\$14,800
	LTC – Lee Manor – One-Time Funding Reserve		(\$405,700)
	LTC – Rockwood Terrace – Rockwood Terrace Reserve		(\$88,200)
	LTC – Redevelopment – LTC Redevelopment Reserve		(\$200,000)
	Paramedic Services – One-Time Funding Reserve		\$10,000
Transportation Services	Portfolio Projected Surplus/(Deficit)	\$647,800	
	Transportation Services - General Capital Reserve		\$397,800
	Transportation Services – Facilities, Depots & Domes Reserve		\$200,000
	Transportation Services – Land Acquisition Reserve		\$50,000

Department/Function	Reserve / Notes	Projected Surplus/ (Deficit)	Estimated To/From Reserve Amount
Total Surplus/(Deficit)		\$363,100	\$363,100

Non-Budgeted Transfers to/from Reserve for Use in 2022

The following table lists purchases that were budgeted or endorsed to occur in 2021, but due to various factors have been delayed until 2022. Where projects were funded from taxation in 2021, these funds are being recommended to be transferred to reserve for use in 2022. Projects budgeted from reserves in 2021 that were delayed are being recommended to be funded from reserve in 2022. Staff is recommending the transfer of these projects to/from reserve for use in the 2022 budget. It was anticipated that the Grey Roots Store would be completed in 2021 and was therefore not carried forward in the 2022 budget. As a result, the remainder of the \$248,200 project has been included in this report and funded from reserve. Similarly, it was also anticipated that the fire alarm project at Lee Manor would be completed in 2021, \$196,000 from reserve is shown below in order to complete this project.

Departmental Budget	Project	Reserve	2021 Tax Levy Projects Included in 2022 Budget*	2021 Projects Not Included in 2022 Budget**
Human Resources	Staff Service Awards	One Time Funding Reserve	\$13,000	
	Corporate Management Training	One Time Funding Reserve	\$15,000	
Communications	Corporate Communications Strategy	One Time Funding Reserve	\$11,000	
Planning	Climate Change Action Plan	Energy Audit Reserve		\$9,700
	Development Charges Update	Development Charges – General Government Reserve		\$9,100
Forestry & Trails	CP Rail Trail Stone Dusting	Trails – General Reserve	\$40,000	
	Forest Festival	Forestry – General Reserve	\$5,000	
Grey Roots	Leonardo da Vinci: Machines in Motion Exhibit	Grey Roots – General Reserve	\$46,800	\$46,800
	General Store Construction	Grey Roots – Donation Reserve		\$104,700
	General Store Construction	Grey Roots – Heritage Building Reserve		\$143,500
Tourism	Outdoor Infrastructure and Investment Priorities and Plans	One Time Funding Reserve	\$46,500	
	Waterfall Brochures	One Time Funding Reserve	\$6,600	\$6,600

Housing	Exterior Window and Door Replacements Hanover Family Units	Housing Reserve	\$80,000	
	Garage Door Replacement, Alpha Street Apartments	Housing Reserve	\$2,200	\$2,200
	Retaining Wall, 40 Artemesia St, Dundalk	Housing Reserve	\$20,000	

Departmental Budget	Project	Reserve	2021 Tax Levy Projects Included in 2022 Budget*	2021 Projects Not Included in 2022 Budget**
Housing (continued)	Roof Replacement and Eavestrough 50 McNab Street Chatsworth	Housing Reserve	\$37,400	
	Roof Replacement and Eavestrough 100 Margaret Elizabeth Avenue Markdale	Housing Reserve	\$100,000	
	Air Conditioner 130 Albert Street Meaford	Housing Reserve		\$4,000
	Shed Door Replacement 248 7 th Avenue East, Owen Sound	Housing Reserve		\$3,000
Paramedic Services	Patient Care Equipment	Paramedic Reserve	\$7,600	\$7,600
	Station Furniture	Paramedic Reserve	\$4,700	\$4,700
Grey Gables	Premise Backflow Protection	Grey Gables Reserve	25,000	
	Retaining Wall	Grey Gables Reserve	20,000	
	Surface Drainage and Eavestrough	Grey Gables Reserve	35,000	
	Dietary Equipment	Grey Gables Reserve	10,000	
	Doors (entrance doors)	Grey Gables Reserve	30,000	
Lee Manor	Replacement of Fire Alarm System	Lee Manor Reserve		196,000
	Driveway & Sidewalk Repair	Lee Manor Reserve	6,400	
	Furniture Resident Lounges	Lee Manor Reserve	50,000	34,800

Departmental Budget	Project	Reserve	2021 Tax Levy Projects Included in 2022 Budget*	2021 Projects Not Included in 2022 Budget**
Transportation Services	Fleet Review	Transportation General Reserve		\$11,000
	Grey Road 119 Stormwater Diversion	Transportation General Reserve		\$50,000
	Grey Road 15 - 3rd Ave. East to 600m north of 32nd Street East (Part 15033 & 15036)	Transportation General Reserve	\$2,061,800	
	Grey Road 19 and Grey Road 21 Intersection Upgrades (Utilities and Booster Station)	Transportation General Reserve	\$183,300	
	Structure 009-354 Grey Road 9	Transportation General Reserve	\$612,000	
	Home enhancements	Lee Manor Reserve	21,000	
	Sanitary Waste Removal System	Lee Manor Reserve	15,300	
Rockwood Terrace	Elevators	Rockwood Terrace Reserve	11,000	
	Replacement of fire pumps	Rockwood Terrace Reserve	15,000	

* Projects funded from taxation in 2021 with funds being recommended to be transferred to reserve for use in 2022.

**Projects budgeted in 2021, that have been delayed and being recommended to be funded from reserve in 2022 and/or were not included in the 2022 budget.

Donation Transfers to Reserve

The following table lists the unbudgeted transfers to reserve that have been donated to be used for a specific purpose.

Department/Function	Reserve / Notes	Estimated Amount
Grey Gables	Grey Gables Donations Reserve	\$6,403
Lee Manor	Lee Manor Donations Reserve	\$2,935
Rockwood Terrace	Rockwood Terrace Donations Reserve	\$3,900

Legal and Legislated Requirements

The Treasurer appointed by the municipality is responsible for providing council with information with respect to the financial affairs of the municipality. This report gives staff the authority to transfer surplus funds into reserve, or fund shortfalls out of reserve, as required by the 2022 budget.

Financial and Resource Implications

The information contained in this report details the non-budgeted transfers to/from reserves and the carryover of these and other sources of funding that is being recommended for use in the 2022 budget or for future potential expenses.

Relevant Consultation

- Internal: Departmental Managers, Senior Management Team and CAO
- External

Appendices and Attachments

[FR-CW-27-21 Corporate Financial Update and Year-End Projection as of September 30, 2021](#)

[Reserve and Reserve Fund Policy](#)