

Municipality of Kincardine
Statement of Operations



	September 2024 YTD Actuals	September 2024 YTD Budget	2024 Total	YTD \$ Variance	YTD % Variance	September 2023 YTD Actuals	Comments
Revenue							
Taxation	18,010,334	17,700,300	23,600,446	310,034	1.8%	17,121,711	
User Fees & Charges	2,486,501	2,242,800	2,990,364	243,701	10.9%	2,383,417	Note 1
Water Charges	2,814,242	2,625,570	3,500,758	188,672	7.2%	2,818,959	Note 2
Sewer Charges	2,076,504	1,789,110	2,385,488	287,394	16.1%	2,156,443	Note 3
Grant Revenue	968,775	996,282	1,328,360	(27,507)	(2.8%)	1,186,561	
Other Income	3,700,697	2,661,939	3,549,218	1,038,758	39.0%	3,236,069	Note 4
Reserve Fund Contributions	375,000	755,136	991,834	(380,136)	(50.3%)		Note 5
Total Revenue	30,432,053	28,771,137	38,346,468	1,660,916	5.8%	28,903,160	
Expenses							
Salaries & Benefits	8,941,051	10,435,465	13,281,784	1,494,414	14.3%	8,467,168	Note 6
Interest & Debt Payments	1,269,243	1,333,485	1,777,976	64,242	4.8%	986,080	Note 7
Materials & Supplies	5,567,501	6,247,449	8,329,622	679,948	10.9%	5,303,720	Note 8
Contracted Services	5,178,584	4,699,944	6,251,544	-478,640	(10.2%)	4,390,739	Note 9
Other Transfers	474,408	660,069	880,095	185,661	28.1%	477,817	Note 10
Rents and Financial Expenses	290,702	216,378	288,450	-74,324	(34.3%)	305,681	Note 11
Reserve Fund Transfers	5,610,101	5,652,756	7,536,997	42,655	0.8%	5,933,498	
Total Expenses	27,331,590	29,245,546	38,346,468	1,913,956	6.5%	25,864,703	
Surplus/(Deficit)	3,100,463	(474,409)				3,038,457	

Variance Explanations

Note 1:

User Fees and Charges are \$244,000 (10.9%) higher than YTD. This is due to a number of variances:
Rental fees including the Tiverton Sports Centre and the Davidson Centre are \$23,000 higher than YTD budget and admission fees are \$14,000 higher than YTD budget.
Landfill tipping fees are \$50,000 higher than YTD budget.
Healthclub membership income is \$22,000 higher than YTD budget.
Registration fees for recreation programs are \$82,000 higher than YTD budget.
Brush disposal fees are \$14,000 higher than YTD budget.
Interments and cremations are \$15,000 higher than YTD budget.

Note 2:

Water charges are \$189,000 (7.2%) higher than YTD budget. Compared to prior year, it is \$4,000 or 0.1% lower.

Note 3:

Sewer charges are \$287,000 (16.1%) higher than YTD budget. Compared to prior year, it is \$80,000 or 3.7% lower.

Note 4:

Other income is \$1,039,000 (39.0%) higher than budget. This is due to the following factors:

Armow Wind payment is \$170,000 higher than YTD budget as the budget assumes the \$670,000 payment is distributed evenly throughout the year. The payment was received in June 2024.

Building permit revenues are \$51,000 higher than YTD budget. The total annual budget is \$325,000 and thus far \$294,404 in permit revenues have been realized.

Rental income for the operations of the Bluewater Trailer Park are \$8,500 higher than YTD budget due to timing of billing. The annual rent of \$34,233 is billed in May and June. MAC building rentals are \$16,000 higher than YTD budget as the budget was conservative, and new renters were secured in 2024.

Marina dockage fee revenue is \$59,000 higher than YTD budget as billing primarily occurs in Q1 whereas the budget assumes it is distributed evenly throughout the year. The total annual budget is \$236,000 and YTD actuals are \$236,038. Gas and diesel sales are \$17,000 higher than YTD budget. Transient rentals are \$10,000 higher than YTD budget.

Dog license fee revenue is \$7,000 higher than YTD budget as licences are billed in Q1 whereas the budget assumes it is distributed evenly throughout the year. YTD actuals are \$22,094 compared to the annual budget of \$20,000.

Bank interest is \$346,000 higher than YTD budget. The budget included a conservative estimate of \$371,500. Penalty/interest on outstanding taxes/accounts receivable is \$59,000 higher than YTD budget.

Airport fuel sales (Jet A, 100LL) are \$15,000 higher than YTD budget.

Bruce Power contributions to the water supply contract are \$265,000 higher than YTD budget. These are offset by expenses.

Wastewater revenues are \$49,000 higher than YTD budget for sewage hauling fees.

Sale of capital assets is \$77,000 higher than YTD budget as several used vehicles were sold. Some of these sales offset the purchase price of new vehicles.

The following are variances that offset the above:

The first quarter dividend of \$125,000 was received from Bruce Telecom. In total, \$250,000 was budgeted and the budget assumes it is distributed evenly throughout the year, thus it is \$62,000 lower than YTD budget.

Advertising revenue is \$18,000 less than YTD budget The annual advertising revenues are budgeted at \$25,000 and sales are currently at \$3,750.

Note 5:

Reserve Fund contributions are \$380,000 (50.3%) less than YTD budget. Reserve Fund contributions in the operating budget are primarily calculated at year end and transferred at that time, therefore this variance is expected. \$375,000 of 2023's surplus has been recorded as the transfer from the reserve to the lifecycle reserve fund as directed by Council, which is offset by a reserve fund transfer expense.

Note 6:

Salaries and benefits are \$1,494,000 (14.3%) less than YTD budget. This is due to a number of factors: The vacation accrual reversal for 2023 accounts for \$699,000 (47%) of the variance. A vacation accrual must be recorded at year-end for financial statement purposes, and represents the amount owed to employees as at Dec. 31/2023 for vacation pay earned but not yet taken. This amount is then reversed at the beginning of 2024, resulting in a favourable variance as it reduces the overall wage expense. The amount is non-cash and is therefore not budgeted.

Councillor wages are \$25,000 less than YTD budget due to timing of payments.

Volunteer firefighters are \$22,000 less than YTD budget due to timing of pay, as payments are made biannually.

Note 7:

Interest and debt payments are \$64,000 (4.8%) lower than YTD budget. This is largely due to the timing of payments for the Huron Terrace Forcemain and Queen St bridge projects.

Note 8:

Materials and supplies are \$680,000 (10.9%) less than YTD budget. The variances are primarily due to timing of purchases, and include the following:

Hydro \$206,000, due to timing of billing

BEC water consumption purchases of \$50,000 as this is only billed twice per year

Salt purchases of \$9,000. The total annual budget is \$95,000 and YTD costs amount to \$62,000.

Bridges and culvert materials of \$23,000

Equipment purchases \$22,000

Training of \$43,000, travel and conferences of \$50,000

Diesel & fuel purchases \$24,000

OMB Expenses of \$19,000

Computer supplies of \$20,000

Water equipment maintenance \$48,000; hydrant maintenance of \$19,000.

Vehicle maintenance of \$80,000 and safety equipment of \$18,000.

Grounds maintenance of \$23,000 and boardwalk/beach maintenance of \$18,000.

General write-offs of \$82,500. These entries are typically performed at year-end.

The following are unfavourable variances that offset the above:

Chemical purchases of \$28,000. The total chemicals budget is \$142,500 and thus far \$135,000 has been spent. The annual \$20,000 budget for pool chemicals has already been spent as of Q1.

Sand purchases of \$18,000, which occurs in the fall. The annual budget is \$90,000 and \$85,500 has been incurred to date.

Software contracts of \$13,000 based on the timing of annual payments for licenses.

Dock/Ramp maintenance of \$32,000

Gravel purchases of \$94,000. The annual budget is \$370,000 and \$371,000 has been incurred to date.

Note 9:

Contracted services are \$479,000 (10.2%) higher than YTD budget due to the following variances:

\$352,000 in engineering costs (Stantec and BM Ross) for the Bruce Power water project. All costs will be recovered from Bruce Power.

\$102,000 for legal fees; \$5,000 in audit fees, due to the timing of the audit.

\$22,000 for KYC labour due to seasonality of the marina

\$11,000 in blue box transitioning fees. \$39,000 for the recycling program due to timing of invoicing

\$55,000 for dredging at the marina.

\$16,000 for the Paisley Fire contract and \$11,000 for dispatch services, based on timing of invoicing.

\$85,000 in operations contracted services based on seasonality, including roads maintenance, hardtop and sidewalk maintenance and dust control.

The following are favourable variances that offset the above:

\$40,000 for the Zoning by-law amendments; the project is ongoing.

\$20,000 for waste disposal monitoring at the municipal landfills

General contracting fees including \$25,000 for the Bruce County IT services agreement, \$31,000 for repairs at the medical clinic including HVAC repairs not yet incurred, \$30,000 for storm sewer flushing and cleanouts and \$9,000 for phragmites removal.

\$57,000 for the OPP Contract

Note 10:

Other transfers are \$186,000 (28.1%) less than YTD budget. This is primarily due to the timing of physician incentive payments, the nurse practitioner program and CIP initiatives.

Note 11:

Rents and financial expenses are \$74,000 (34.3%) higher than YTD budget. This is primarily due to property taxes (\$48,000) for municipally-owned commercial facilities (e.g. KWTP, Airport, KWMC, Marina, etc) which have been recorded for the year. Bank charges are \$12,000 higher than YTD budget which are dependent on overall revenues. Equipment rentals are \$6,500 higher than YTD budget.