

Schedule of Financial Notes as of June 30, 2021

SALARIES

The salaries account is temporarily on budget with 48.9 percent spent at June 30, without reflecting the salary increase effective as of July 1st, 2021.

Net overtime is 69.5 percent spent which includes the estimated banked liability. Salary overtime is over budget due to increased workload in joint force investigative projects including Project Cheetah, Project Hammer, and Project Southam. The overspending in overtime is partially offset by a favourable variance in court overtime. Net overtime is forecast to be at a deficit position by end of year. For comparison purposes, net overtime as of June 30, 2020 was 76.6 percent spent.

BENEFITS

Employee benefits account is unfavorable at 56.3 percent spent. Contributions for Canada Pension Plan and Employment Insurance are expensed relative to earnings until maximums are reached whereas budgeted funding is measured evenly over the year. Last year at this time accounts were 54.6 percent spent.

OPERATING EXPENSES

Total operating expenses are on track at 50.5 percent spent. Costs incurred due to the COVID-19 pandemic are mitigated by savings in training, special events, meals, travel, and vehicle repair and maintenance accounts. In comparison, last year at this time total operating expenses were 50.9 percent spent.

Program Specific Expense

Overall spending is ahead of budget primarily due to investigation expenses for ongoing investigative projects. Investigative Expenses are 88.8 percent spent year-to-date, primarily driven by joint force Projects Cheetah, Hammer, and Southam. A portion of the investigative expenses is offset by the recoveries recorded in the sundry revenue account from joint operations partners. The unfavourable variance is partially offset by underspending in ammunition and photographic equipment accounts due to the timing of the purchases.

Professional Contracted Services

Purchase of service is well below budget primarily due to lower than planned spending in Air Support Services. This surplus is partially offset by unfavourable variances in translation and consultant accounts.

General Expense

Overall spending is below budget. Telecommunication contracts and radio system licence accounts are over budget primarily due to timing of renewal of payments for Motorola radio system maintenance. Computer hardware and software accounts are over budget due to purchase of grant funded items for cyber crimes, human trafficking, and internet child exploitation investigations.

The unfavourable variances are offset by underspending in a number of accounts including training, software maintenance, miscellaneous allowances, uniform and special events.

Software maintenance, uniform, and fleet maintenance accounts are temporarily below budget due to timing of the purchases. Spending reductions in training, special events, and miscellaneous allowances accounts are due to COVID-19 impact. The reductions will partially mitigate pressures from COVID-19 related revenue losses.

Financial Charges

Transaction charges are temporarily over budget as the full year budgeted amount has been recorded in the first half of the year by the Regional Controllership Office.

Occupancy Expense

Overall spending is below budget. Expenditures for hydro, office cleaning, and repairs and maintenance accounts are under budget, offsetting the unfavourable variance in facility lease account.

Minor Capital

Operating equipment purchase is below budget due to the timing of the procurement process.

Debt Interest

Debt principal payments are temporarily overspent at (\$2.4M) over mid-year budget, as the full year budgeted amount has been recorded in the first half of the year by the Regional Controllership Office.

REVENUES

Provincial funding is below budget. The unfavourable variances from the absence of the Gun and Gang Specialized Investigations Grant is partially offset by new grant funding received from the Ministry for human trafficking and internet child exploitation projects.

Overall Fees and Charges revenue is below budget as the requests for services have been impacted by COVID-19. The volume of requests for clearance letters, vulnerable sector screening, and motor vehicle collision reports have decreased by an average of 44 percent. Requests for paid duty officers and vehicles decreased by 55 percent due to COVID-19 restrictions. Additionally, paid duty administrative fees are waived for services to the mass immunization vaccine clinics. The unfavourable variances in fees and charges are partially offset by cost recoveries from joint force operations.

RESERVES

Police Services Board Public Relations Fund

Year-to-date contributions to reserves as of June 30, 2021 total \$182,179, all from forfeited monies. Interest earned on this account totals \$1,594. A draw from the reserve of \$30,000 has been made to pay for approved expenditures.

Development Charge Reserve

Development charge collections to date total \$5,023,064. Interest earned on this account totals \$146,798. Combined payments made on the development charge portion of debentures and capital projects total \$4,072,781.

Sick Bank Reserve

Both contributions to and withdrawal from the sick bank reserve have been paused in 2021 as an outcome from recent collective bargaining.

Police Infrastructure Reserve

Year-to-date contributions to reserves total \$428,000. Interest earned on this account totals \$4,622. A draw from the reserve of \$456 has been used to fund capital projects.

CAPITAL BUDGET SPENDING

The capital spending authority for active capital projects totals \$56,740,675, consisting of \$20,756,596 in spending from inception to date and \$35,984,079 for unspent remaining balances.

On June 24, 2021, Council approved a request to reallocate \$200,000 from Business Intelligence Enhancement to the Air Operations project. This reallocation allows the Air Support Unit to afford unanticipated replacements for helicopter equipment, specifically a monitor and windscreens.

The majority of capital projects are on schedule in spite of COVID-19 impacts. The capital budget allocated for 2022 is estimated to above 80 percent spent at the end of the year. Unspent funding of several multiple-year projects are expected to be re-budgeted through the proposed 2022 budget.

The #1 District Headquarters project is projected to be on schedule with construction completed by the end of 2021. A portion of the 2021 budget is deferred to 2022 to accommodate timing for the construction holdback payment schedule.

As part of the Digital Evidence Management/ In-Car Cameras project, in-car camera system has experienced a manufacturing delay, resulting in an expected deferral of 2021 budget to 2022. The remaining spending within Digital Evidence Management is on track.

Also, it is expected the Specialized Equipment - Forensic Lab project to be partially re-budgeted to 2022 due to procurement related delays.