

The Regional Municipality of York Police Services Board

Public Board Meeting
November 24, 2021

Report of the Chief of Police

Interim Financial Reporting for the Period Ending September 30, 2021

1. Recommendation

1. That the Board receive the unaudited interim financial reports for the nine month period ending September 30, 2021, pursuant to Financial Management Board Policy No. 01/05.

2. Summary

The third quarter accounting period is now complete and the unaudited financial reports for the Board and York Regional Police for the period ending September 30, 2021 are attached to this report.

Key Points:

- The Regional Municipality of York Police Services Board (the “Board”) is 60.1 percent spent and York Regional Police is 75.4 percent spent at September 30, 2021
- Year to date COVID-19 financial implications total \$3.2 million
- Schedule of Capital Budget Spending with current year spending total \$15,350,385
- Schedule of Reserves Balances of \$14,911,522

3. Background

The Board's Financial Management Policy states that "the Chief of Police shall ensure that financial reporting is timely, accurate and relevant...The reports to the Board shall include: Quarterly reporting on actual financial performance including year end financial forecasts."

The Regional Municipality of York Finance Department third quarter accounting period is now complete, and the unaudited financial reports for the Board and York Regional Police for the period ending September 30, 2021 are attached to this report.

4. Analysis

The combined total net expenditures from York Regional Police and the Board are \$271,934,669 or 75.4 percent of budget as shown in the Schedule of Operating Budget Spending.

Net expenditures for the Board are \$300,523 or 60.1 percent of budget. For comparison purposes, the Operating Budget for the Board was 65.4 percent spent at September 30, 2020. Favourable variances exist in the salary, legal fees, consultant fees, training, minor capital, computer hardware and mileage accounts, offset ahead of plan membership fees and telecommunication lines.

Net expenditures for York Regional Police are \$271,634,146 or 75.4 percent of budget. For comparison purposes, the Operating Budget for York Regional Police was 74.6 percent spent at September 30, 2020.

Expenditures for salaries and benefits are over budget resulted from main cost drivers including increased number of members on long term leaves, overtime hours for high volume of investigative projects, and timing of contributions for Canada Pension Plan and Employment Insurance. Favourable variances in ammunition, miscellaneous allowance, training, software maintenance, uniform, and hydro water accounts offset ahead of plan investigation expenses, telecommunication contract, radio licences, and the shortfalls in revenues impacted by the COVID-19 pandemic. Details are identified in the Schedule of Financial Notes and the Schedule of Operating Expenditures.

Capital project expenditures are \$25,687,510 or 45.3 percent of budget based on inception to date project spending, as shown in the Schedule of Capital Budget Spending. Details are identified in the Schedule of Capital budget Spending and Schedule of Capital Notes.

Reserve funds totalling \$14,911,522 are identified in the Schedule of Reserve Balances.

5. Financial

As a result of the COVID-19 emergency, it is projected that the Regional Municipality of York Police Services Board and York Regional Police 2021 operating budgets will be at risk to exceed the funding approved by the Regional Municipality of York Police Services Board.

A year end deficit position is estimated in the range between \$2 million and \$3 million, subject to discussions with York Region's Office of the Budget for a potential draw from reserves for pandemic relief. Financial Services staff have been tracking the financial impact of COVID-19 from the date of the Provincial State of Emergency announcement on March 17, 2020. As a result of this emergency, York Regional Police has incurred incremental expenditures as well as revenue losses offset partially by mitigating actions. The year to date impact of lost revenues and additional costs due to COVID-19 pandemic is at \$3,165,807 at September 30, 2021, consisting of revenue loss totalling \$2,044,998, overtime and staffing cost incurred of \$1,408,600, direct costs incurred of \$300,209, and partially offset by mitigating savings of (\$588,000). As the pandemic continues, further mitigation factors are to be identified in addition to the temporary common expenditure reduction items included in the 2021 budget. The Schedule of COVID-19 Financial Implications is attached to this report.

6. Conclusion

It is therefore recommended that the unaudited interim financial reports for September 30, 2021 be received in accordance with the quarterly reporting requirements outlined in the Financial Management Board Policy No. 01/05.

Accessible formats or communication supports are available upon request.

Jim MacSween, B.A.A.
Chief of Police

JMS:II

Attachments (6)

- Schedule of Operating Budget Spending as of September 30, 2021
- Schedule of Capital Budget Spending as of September 30, 2021
- Schedule of Reserve Balances as of September 30, 2021
- Schedule of COVID-19 Financial Implications as of September 30, 2021
- Schedule of Operating Expenditures as of September 30, 2021
- Schedule of Financial Notes as of September 30, 2021