

Schedule of Financial Notes as of September 30, 2021

SALARIES

The salaries account is on budget with 75.2 percent spent at September 30.

Net overtime is 106.4 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 September 30, 2020 was 106.4 percent spent.

BENEFITS

Employee benefits account is unfavorable at 80.9 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 76.7 percent spent.

OPERATING EXPENSES

Total operating expenses are tracking under budget at 67.3 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 70.3 percent spent.

Program Specific Expense

Overall spending is below budget. Investigation expense is ahead of budget at 95.7 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 provincial special funding and sundry revenue accounts from joint operations partners. The unfavourable variance is also offset by underspending in ammunition and photographic equipment accounts.

Professional Contracted Services

Purchase of service is below budget primarily due to lower than planned spending by the Air Support Unit. 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 temporarily over budget due to timing of renewal of payments for Motorola radio system maintenance. Computer hardware is 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 Controllershship 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 and ground maintenance accounts.

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 (\$1.2 M) over year to date budget, as the full year budgeted amount has been recorded in the first half of the year by the Regional Controllershship Office.

REVENUES

Provincial funding is above budget due to a reallocation of Criminal Intelligence Service Ontario funding from recovery revenue account. The funding from Criminal Intelligence Service Ontario is designated to support combatting gun and gang crimes, and is used to partially offset joint force operation projects. The unfavourable variances from the absence of the Gun and Gang Specialized Investigations Grant is offset by this funding.

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 40 percent. Requests for paid duty officers and vehicles decreased by 35 percent due to COVID-19 restrictions. Additionally, paid duty administrative fees are waived for services to the mass immunization vaccine clinics.

CAPITAL BUDGET SPENDING

The capital spending authority for active capital projects totals \$56,740,675, consisting of \$25,687,510 in spending from inception to date and \$31,053,165 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 proposed 2022 capital budget includes \$6.1 million re budgeted from 2021. Project delays were due to factors including COVID-19 travel restrictions, construction permit delay, and implementation schedule. A detailed list of re budgeted projects may be found in Appendix 5 of the 2022 Operating and Capital Budget dated October 27, 2021.

RESERVES

Police Services Board Public Relations Fund

Year to date contributions to reserves as of September 30, 2021 total \$201,622, all from forfeited monies and police property auctions. Interest earned on this account totals \$2,151. 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 \$7,892,788. Interest earned on this account totals \$191,076. Combined payments made on the development charge portion of debentures and capital projects total \$5,984,261.

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 \$642,000. Interest earned on this account totals \$7,585. A draw from the reserve of \$912 has been used to fund capital projects.