

# **The Regional Municipality of York Police Services Board**

Public Board Meeting  
April 26, 2023

Report of the Chief of Police

## **Financial Reporting for the Period Ending December 31, 2022**

### **1. Recommendation**

That the Board receive the quarterly unaudited financial reports for the twelve month period ending December 31, 2022, pursuant to Financial Management Board Policy No. 01/05.

### **2. Summary**

The year end accounting period is now complete and the unaudited financial reports for the Board and York Regional Police for the period ending December 31, 2022 are attached to this report.

Key Points:

- The Regional Municipality of York Police Services Board (the “Board”) is 95.3 percent spent and York Regional Police is 97.6 percent spent at December 31, 2022
- Schedule of Capital Budget Spending current year spending totals \$24,480,414
- Schedule of Reserves Balances of \$11,385,558
- The results of the external audit are scheduled to be reported to the Board at the June 28, 2023 meeting

### 3. Background

At the May 17, 2022, October 5, 2022 and December 14, 2022 meetings, the Board received quarterly financial updates pursuant to Financial Management Board Policy No. 10/05. The prior reports provided unaudited financial reporting including variance explanations for wages, expenditures, revenues, capital spending and reserve balances. It was previously reported that the forecast for 2022 year end was estimated in the range between \$1 million and \$2 million primarily due to favourable provincial grants offset by the minimal financial impact from the COVID-19 pandemic.

### 4. Analysis

The combined total net expenditures from York Regional Police and the Board are \$367,785,413 or 97.6 percent of budget as shown in the Schedule of Operating Budget Spending.

Net expenditures for the Board are \$489,890 or 95.3 percent of budget. For comparison purposes, the Operating Budget for the Board was 78.5 percent spent at December 31, 2021. Favourable variances exist in the computer hardware, salary, public relations, legal, conventions and seminar accounts.

Net expenditures for York Regional Police are \$367,295,523 or 97.6 percent of budget. For comparison purposes, the Operating Budget for York Regional Police was 100.0 percent spent at December 31, 2021, due to a contribution from the Provincial Safe Restart Reserve to address financial pressures from the pandemic. Details are provided in the Schedule of Year End Variances to Budget and Schedule of Financial Notes with a surplus totalling \$9.0 million.

#### **Wages Net of Recoveries \$5.3 Million Surplus**

Salaries and benefits were below budget due to vacancies in both uniform and civilian positions. From 2019 to 2021, salary spending exceeded budget due to a pandemic related slow down in the number resignations and retirements. In 2022, there were a significantly higher number of vacancies from resignations and retirements. Unlike civilian vacancies which are onboarded throughout the year, uniform vacancies are subject to Ontario Police College intake class dates in February, May and September. The intake timeline to replace a retired officer is approximately 18 months which, along with civilian vacancies resulted in \$3.0 million in combined vacancy savings. In addition, maternity, parental and adoption leaves were higher than prior years resulting in leave savings of \$2.5 million.

#### **Expenditures \$1.3 Million Surplus**

Total operating expenses were under budget at 99.4 percent spent. In comparison, last year at this time total operating expenses were 95.7 percent spent. The software maintenance account was underspent by \$0.9 million due to implementation and vendor delays. Fuel accounts were ahead of budget (\$0.5) million due to retail pricing, but was mitigated by a

\$0.9 million draw from the Region's fuel stabilization reserve based on a hedged price. Net fuel costs of \$0.5 million ended in a surplus position as actual fuel volumes were lower than budgeted. Underspending of uniforms and telecommunication accounts offset unfavourable variances in the convention seminars and special events accounts.

## **Revenues Net of Paid Duty and Ottawa Deployments \$2.5 Million Surplus**

Provincial funding is \$1.8 million above budget due to favourable allocations from the Court Security and Prisoner Transportation upload, Community Safety & Policing local priorities grant. Most service fees and charges have returned to pre-pandemic levels. Online requests for reports have also increased, which are charged lower than in-person requests. Paid duty fees related to officer time, administration and vehicle fees have rebounded from prior year due to the re-opening of summer events, increase in funeral requests, prisoner watch at hospitals and the continuation of construction activities. Auction proceeds were ahead of budget with a greater number of vehicles sent to auction and returns above expected values. Alarm monitoring fees are below budget as many residents continue working from home, reducing false alarms.

Capital project expenditures are \$24,480,414 or 85.3 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 Financial Notes.

Reserve funds totalling \$11,385,558 are provided in the Schedule of Reserve Balances.

## **Reporting Requirements**

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 fourth quarter accounting period is now complete, and the unaudited financial reports for the Board and York Regional Police for the period ending December 31, 2022 are attached to this report.

The results of the external audit are scheduled to be reported to the Board at the June 28, 2023 meeting.

## **5. Financial**

The year end position resulted in a surplus of \$9,045,823 with minimal financial impact from the COVID-19 pandemic. York Regional Police surpluses follow the process outlined in the 2023 Fiscal Strategy adopted by Regional Council on February 23, 2023. Subject to certain conditions, the surplus is used as a contribution to reserves to manage the Capital plan. York Regional Police has benefitted from surplus reserve contributions. Through the partnership with York Region, reserves may assist with funding future Capital budget project proposals.

## 6. Conclusion

It is therefore recommended that the unaudited financial reports for December 31, 2022 be received in accordance with the quarterly reporting requirements outlined in the Financial Management Board Policy No. 01/05.

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Accessible formats or communication supports are available upon request

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Acting Chief of Police

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Attachment (6)

- Attachment 1: Schedule of Operating Budget Spending
- Attachment 2: Schedule of Year End Variances to Budget
- Attachment 3: Schedule of Capital Budget Spending
- Attachment 4: Schedule of Reserve Balances
- Attachment 5: Schedule of Operating Expenditures
- Attachment 6: Schedule of Financial Notes