

REPORT

TO: MAYOR AND MEMBERS OF COUNCIL
FROM: P. MULLINS, MANAGER OF ACCOUNTING
DATE: SEPTEMBER 22, 2011
RE: 2011 - 2ND QUARTER VARIANCE AND PROJECTIONS

AIM:

To update Council on operating and capital results as at June 30, 2011 (end of 2nd Quarter) and provide estimated 2011 year end results for the Municipality of Leamington.

BACKGROUND:

Year end projections are compiled on an account-by-account basis using the best information available at the time. Financial information from June 30, 2011 has been reviewed by the various departments/divisions respecting budget variances to date and assumptions have been made to support the estimated results for the year (projections). Projections will be updated and a further report will be provided based on 3rd quarter results (period ending September 30, 2011).

COMMENTS:

A detailed overview of 2nd Quarter results and year end projections is attached as **Appendix A**.

A summary of 2nd Quarter results showing year end projections compared to the 2011 budget and 2010 actual as of June 30, 2011 for information purposes is attached as **Appendix B**.

The six page summary includes: Operating Revenues, Operating Expenditures, Net Operational Cost, Net Transfers to Reserves, Net Transfers to Capital and Total Departmental Cost. This report focuses on the Total Departmental Cost schedule (page 6 of **Appendix B**).

The following considerations are noted to provide context to this report: projections are estimates only, revenue and expenditure variances may be reflective of seasonal/varying transaction cycles and final fiscal results for 2011 may vary significantly from projections based on new information/requirements and economic conditions. Further, the projections are based on a modified cash-basis of accounting and do not include tangible capital asset amortization or post-retirement benefit liability adjustments.

General Taxation Supported Departments:

The most significant variances from budget are as follows (rounded to nearest thousand \$) totalling a total projected surplus of approximately \$77,700

General Government - Projected Surplus \$155,000:

The projected surplus for General Government is based on additional revenue from supplementary taxes (\$71,000) and the sale of the former municipal building (\$100,000).

Council - Projected Deficit \$18,000:

The projected deficit for Council is primarily based on Council members Conferences and Conventions which was addressed in report CAO/16/11.

Planning - Projected Surplus \$22,000:

The projected surplus results from increased level of zoning and site plan applications (\$7,000) and the vacancy of the Director and Planner positions (\$18,000).

Engineering - Projected Surplus \$26,000:

The projected surplus results from favourable tenders on resurfacing contracts (\$19,000) and Talbot/Armstrong/Johnson (\$7,000).

Sewers - Projected Deficit \$11,000:

The projected deficit is a result of the age of our infrastructure resulting in higher than normal level of repairs in Sanitary/Combined mains and connections (\$11,000).

Drainage - Projected Surplus \$15,000

The projected surplus results from one summer student being hired (\$15,000).

Public Works - Projected Deficit \$78,000:

The projected deficit results from increased level of sick time (\$7,000), increased cost for diesel fuel and lower than anticipated usage by other departments (\$20,000), tree maintenance due to increased level of storm events (\$5,000). Repairs conducted on a guard rail as a result of a motor vehicle accident that was not reported (\$9,000) and emergency repairs to various roadside ditches (\$15,000). The largest part of the deficit is as a result of the winter control budget (\$104,000) of which some of this has been mitigated by other sub departments seeing surplus in staff time. Council will recall from the year end report that any surplus from winter control is put into a reserve for deficits that may develop in other years. This will be reviewed at year end and could be used to mitigate the deficit if required.

Complex - Projected Surplus \$16,000:

The projected surplus mainly results from a savings in utilities as the result of a new chiller and energy efficient lighting (\$25,000).

Marina - Projected Deficit \$51,000:

The projected deficit mainly results from dwindling usage of the transient wells (\$41,000) and the closure of the ramp due to renovations as a result of last years tornado and weather (\$10,000).

Other Departments - Combined Projected Surplus \$1,000:

Each is projected to be over/under budget by less than \$5,000 and the resulting breakdown is provided in Appendix A.

User Rate Supported Departments:

PCC (wastewater)

- Projected surplus \$206,000 - includes operational savings (\$33,000) in chemicals, lab analysis and lawn maintenance due to construction. Revenue shortfall due to a wet spring and lower water consumptions (\$176,000). The construction costs for Phase 3, 4 & 5 are lower resulting in a capital surplus (\$279,000). As any surplus/deficit for PCC operations are transferred to a reserve account, therefore, the projected transfer to reserve will be increased by \$44,000 and the transfer from reserve of \$250,000 as budgeted will not be required.

Water

- Projected surplus \$57,000 - increased level of buy-in fees from greenhouse (\$14,000), higher return on investment income (\$50,000) and recovery of write-offs and adjustments through the tax roll. Any surplus/deficit for Water operations is transferred to a reserve account; therefore, the projected transfer to reserve will be increased by \$57,500.

Capital Projections:

Appendix C is a summary of 2nd Quarter results and projections for 2011 capital expenditures. The funding plan shown here is based on the budgeted costs. Actual funding for capital will be determined based on actual results and any significant variance from the budget plan has been or will be reported to council on a project by project basis.

The year to date (YTD) cost reflects only amounts expensed as of June 30 and may not reflect the cost of works in progress or outstanding contract commitments. The projected capital cost includes the carry forward projects from 2010 plus expected 2011 expenditures.

For taxation funded departments (excludes PCC and Water) the capital forecast anticipates a surplus of \$111,000 which resulted from the sale of the former municipal building. The other significant capital projection impacts that are funded by other sources be it reserves, grants or debentures or miscellaneous revenue are Engineering had tenders close favourably for Talbot/Armstrong/ Johnson and the Tar & Chip Road #12 Phase 2 (\$100,000) which was funded by reserves. The Marina has additional costs (\$562,000) from the tornado damage and this is to be funded from the CAF Grant

For rate funded departments, the Water capital projections also reflect the deferral of the Erie St. - Askew to Oak St project (\$175,000), which is reserve funded. The PCC capital projections reflect a savings (\$279,000) in Phase 3, 4 & 5; which again, will not affect the taxation funded surplus.

Note the impacts of taxation funded capital variances (surplus/deficit) have been included in the Total Department Cost report in **Appendix A**.

FINANCIAL IMPACT:

The 2nd Quarter projected surplus of \$77,700 is based on estimates and assumptions for operating and capital results through December 31, 2011. Management will continue to monitor/manage accounts and make every effort to work within the 2011 approved budget and to achieve an actual result that sets off budget deficits through deferral of expenditures, revenue generation and/or cost savings.

A further report will be brought based on 3rd Quarter results/projections and is expected to provide better estimates of expected results for the year.

RECOMMENDATION

THAT information regarding the 2011 2nd Quarter variance and year end projections BE RECEIVED for information, as outlined in report FIN-11-09-04.

Respectfully submitted

Peter Mullins
Manager of Accounting

Cheryl L. Horrobin, CA
Director of Finance & Business Services

Appendix A - 1
Municipality of Leamington
2nd Quarter Variance Projection
as at June 30, 2011

| Department | (Surplus)/ Deficit | Comments |
|---|-----------------------|--|
| \$ | | |
| <u>Taxation Supported Departments:</u> | | |
| <u>General Government - (\$155,400) Surplus</u> | | |
| Supplementary Taxes | (71,000) | Projected increase based on results to date |
| Donations | (3,300) | Assistance for tornado relief used to offset expenses |
| Training/Advertising | (1,100) | Strategic Planning session and notices |
| Building Maintenance | 14,000 | 1 month overlap utilities and new building utilities unknown |
| Janitorial Contract | 6,000 | Change in cleaning staff contract |
| Capital | (100,000) | Sale of Town Hall |
| | <u>\$ (155,400)</u> | |
| <u>Council - \$18,000 Deficit</u> | | |
| Conferences/Conventions | \$ 18,000 | New council members attending additional workshops |
| <u>Corporate Services - (\$4,000) Surplus</u> | | |
| Business Licences | (4,000) | Higher than normal of Transient Trader licences |
| <u>Tourism - \$2,900 Deficit</u> | | |
| Advertising & Promotion | \$ 2,900 | One additional month advertisement of Toronto campaign |
| <u>By-law Enforcement - (\$2,000) Surplus</u> | | |
| Sign Permits | (2,000) | Due to enforcement of the new by-law. |
| <u>Planning - (\$22,300) Surplus</u> | | |
| Revenue (Additional Consent Fee) | (7,100) | Higher zoning and site plan fees offset by decreased consent applicati |
| Salaries & Benefits | (18,000) | Vacancy in staffing due to recruitment process |
| Advertising/ Office Materials | 2,800 | Additional notices due to increase in zoning and site plan agreements |
| | <u>\$ (22,300)</u> | |
| <u>Building - \$3,500 Deficit</u> | | |
| Office Supplies/Advertising | 3,500 | In the know advertising, additional supplies due to the new building |
| | <u>\$ 3,500</u> | |
| <u>Engineering - (\$26,400) Surplus</u> | | |
| Resurfacing Contracts | (19,400) | Tender prices were lower than anticipated. |
| Capital | (7,000) | Savings in Talbot/Armstrong/Johnson construction |
| | <u>\$ (26,400)</u> | |
| <u>Sewers - \$11,500 Deficit</u> | | |
| Sanitary/Combination Repairs | \$ 5,000 | Higher than anticipated main repairs |
| SanitaryCombination Connection Repairs | \$ 5,000 | Higher than anticipated connection repairs |
| Storm Sewer Flushing & Inspection | \$ 1,500 | Higher than normal materials |
| | <u>\$ 11,500</u> | |
| <u>Drainage - (\$15,500) Surplus</u> | | |
| Salary & Benefits | \$ (15,500) | Only 1 summer student hired |
| Operational | \$ 10,000 | Emergency cut in Hillman Beach |
| Capital | \$ (10,000) | Pelee Creek - Restoration and Improvement didn't proceed |
| | <u>\$ (15,500)</u> | |
| <u>Public Works - \$78,700 Deficit</u> | | |
| Revenue | (1,200) | Additional Senior snow removal, and internal recovery from parking |
| Salaries & Benefits | 7,000 | Higher than normal sick leave taken. |
| Vehicle/Equipment Fuel | 19,800 | Higher diesel prices and lower than anticipated usage from other |
| Tree Maintenance | 5,000 | Increased level of storm events |
| Debris & Litter/Sweeping | (52,000) | Staff time re-allocated to winter control |
| Roadway Shoulder Maintenance | (10,000) | Staff time re-allocated to other areas |
| Roadway Signage | 8,700 | Guard rail repairs due to motor vehicle accident not reported |
| Roadside Ditches | 15,000 | Emergency repairs required |
| Various Other Sub Departments | (17,600) | Reallocation of wages to assist in winter control |
| Winter Control | 104,000 | Higher than normal level of storm events |
| | <u>\$ 78,700</u> | |

Appendix A - 2
Municipality of Leamington
2nd Quarter Variance Projection
as at June 30, 2011

| Department | (Surplus)/ Deficit | Comments |
|--|---------------------------|--|
| | \$ | |
| <u>Cemeteries - (\$3,000) Surplus</u> | | |
| Revenue | (4,000) | Increased burials at Albuna |
| Operational | 1,000 | Increased staff time due to additional burials |
| | <u>\$ (3,000)</u> | |
| <u>Parks - \$4,000 Deficit</u> | | |
| Capital | 4,000 | Overexpenditure on Robson Road Park repairs from tornado |
| | <u>\$ 4,000</u> | |
| <u>Complex - (\$16,000) Surplus</u> | | |
| Memberships/Daily Admissions | 7,000 | Daily admissions and hockey school registration down (offset in expenditures) |
| Utilities | (25,000) | Savings as a result of new chiller and energy efficient lighting |
| Operational Expenditures | 2,000 | Additional pool chemicals and supplies |
| | <u>\$ (16,000)</u> | |
| <u>Marina - \$51,500 Deficit</u> | | |
| Transient Wells | 41,500 | Fuel and boarder issues continue to dwindle usage |
| Ramp Service | 10,000 | Closed in May for renovations and 40 out of 59 days it rained |
| Misc Revenues | 2,500 | Picnic shelter, canteen sales all down due to usage |
| Building Maintenance | (1,500) | Savings in the maintenance due to renovations |
| Material & Supplies | (1,000) | Lower credit card expenses due to lower sales |
| | <u>\$ 51,500</u> | |
| <u>Police - (\$2,000) Surplus</u> | | |
| Misc Revenues | (2,000) | Reimbursement for tornado overtime expense |
| <u>Other Departments (\$1,800) Surplus</u> | | |
| Transit, Animal Control, Arts & Culture | \$ (1,200) | |
| <hr/> | | |
| Net projected surplus Taxation Supported | <u>\$ (77,700)</u> | |
| <u>User Rate Supported Departments:</u> | | |
| <u>PCC(wastewater) (\$206,000) Surplus</u> | | |
| Revenues | \$ 176,000 | Wet spring resulted in consumption to drop. |
| Property Maintenance | \$ (5,000) | Savings on grass cutting contract due to construction |
| Various Operational | (28,000) | Projects delays have resulted in savings for chemicals and lab analy |
| Equipment | (70,000) | Maintenance of old plant being kept to minimum |
| Capital | (279,000) | Cost savings from Phase 3, 4 and 5 construction |
| Transfer to Reserves | 206,000 | Additional transfer to reserve - net surplus |
| | <u>\$ -</u> | |
| <u>Water (\$57,500) Surplus</u> | | |
| Fees | (14,000) | Increased buy-in fees due to greenhouse development |
| Investment Income | (36,000) | Higher reserve balance and better return on investment than projects |
| Salary and benefits | 33,000 | Increased level of lieu time and sick leave |
| Write-offs and adjustment | (24,000) | Collected delinquent bills on the tax roll |
| Various Operational | (16,500) | Reallocation of staff resources and utilization of summer students |
| Transfer to Reserves | 57,500 | Additional transfer to reserve - net surplus |
| | <u>\$ -</u> | |

MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

Appendix B 1

YEAR END PROJECTION

OPERATING REVENUES

| | 2010 ACTUAL | 2011 BUDGET | 2011 Y-T-D | 2011 PROJ'TN | Proj't vs Budget 2011 | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|----------------|
| | | | | | % | Dollars |
| GENERAL GOVERNMENT | 1,082,791 | 2,977,735 | 1,662,227 | 2,981,035 | -0.11% | 3,300 |
| COUNCIL | 0 | 0 | 0 | 0 | | |
| FINANCIAL SERVICES | 50,479 | 331,090 | 57,634 | 331,090 | 0.00% | |
| CORPORATE SERVICES | 81,267 | 144,520 | 80,654 | 149,020 | -3.11% | 4,500 |
| TOURISM | 57 | 0 | 7 | 7 | | 7 |
| ECONOMIC DEVELOPMENT | 0 | 3,800 | 0 | 7,800 | -105.26% | 4,000 |
| BYLAW ENFORCEMENT | 7,150 | 15,000 | 7,865 | 17,000 | -13.33% | 2,000 |
| PARKING | 105,257 | 139,900 | 106,608 | 139,900 | 0.00% | |
| ANIMAL CONTROL | 36,804 | 50,200 | 49,553 | 51,200 | -1.99% | 1,000 |
| ESSEX COUNTY TORNADO | 0 | 0 | 0 | 0 | | |
| CORPORATE SERVICES | 230,534 | 353,420 | 244,687 | 364,927 | -1.98% | 7,000 |
| PLANNING | 32,817 | 54,300 | 35,887 | 61,440 | -13.15% | 7,140 |
| BUILDING | 129,674 | 331,000 | 122,301 | 330,500 | 0.15% | -500 |
| FIRE SERVICES | 3,696 | 6,000 | 3,492 | 6,000 | 0.00% | |
| DEVELOPM'T SERVICES | 166,187 | 391,300 | 161,680 | 397,940 | -1.70% | 6,640 |
| ENGINEERING | 5,257 | 22,000 | 5,363 | 22,000 | 0.00% | |
| STREETLIGHTS | 0 | 0 | 0 | 0 | | |
| SEWERS - URBAN | 289,193 | 289,193 | 289,193 | 289,193 | 0.00% | |
| DRAINAGE | 135,758 | 297,000 | 168,187 | 347,000 | -16.84% | 50,000 |
| ENGINEERING SERVICES | 430,208 | 608,193 | 462,743 | 658,193 | -8.22% | 50,000 |
| COMMUNITY SERVICES | 412,861 | 845,670 | 422,832 | 843,873 | 0.21% | -1,797 |
| ARTS & CULTURE | 0 | 0 | 0 | 0 | | |
| TRANSIT | 0 | 0 | 0 | 0 | | |
| COMMUNITY SERVICES | 412,861 | 845,670 | 422,832 | 843,873 | 0.21% | -1,797 |
| PUBLIC WORKS | 9,209 | 49,893 | 10,612 | 51,136 | -2.49% | 1,243 |
| SANITATION | 1,286,991 | 1,290,481 | 1,290,806 | 1,290,481 | 0.00% | |
| CEMETERIES | 8,856 | 13,485 | 12,391 | 17,400 | -29.03% | 3,915 |
| PARKS | 13,473 | 24,450 | 17,452 | 31,375 | -28.32% | 6,925 |
| PUBLIC WORKS | 1,318,528 | 1,378,309 | 1,331,261 | 1,390,392 | -0.88% | 12,083 |
| KINSMEN COMPLEX | 1,168,967 | 1,902,798 | 895,860 | 1,896,065 | 0.35% | -6,733 |
| MARINA | 251,976 | 572,740 | 253,189 | 519,218 | 9.34% | -53,522 |
| ERIE QUEST | 0 | 0 | 0 | 0 | | |
| GENERAL DEBT SERVICE | | | | | | |
| URBAN DEBT SERVICE | | | | | | |
| COUNCIL DETERMINED | 5,112,532 | 9,361,255 | 5,492,114 | 9,382,733 | -0.23% | 21,478 |
| POLICE SERVICES | 177,486 | 504,100 | 189,834 | 506,100 | -0.40% | 2,000 |
| TAXATION SUPPORTED | 5,290,018 | 9,865,355 | 5,681,948 | 9,888,833 | -0.24% | 23,478 |
| CWFD SURPLUS | 0 | 0 | 0 | 0 | | |
| TAXATION REVENUES | 21,943,985 | 22,781,107 | 22,852,055 | 22,852,055 | -0.31% | 70,948 |
| TAXATION FUNDED TOTAL | 27,234,003 | 32,646,461 | 28,534,003 | 32,740,888 | -0.29% | 94,427 |
| WATER SERVICES | 2,419,658 | 8,098,560 | 2,177,654 | 8,148,560 | -0.62% | 50,000 |
| WASTEWATER FACILITY | 1,541,112 | 5,021,500 | 1,514,246 | 4,845,000 | 3.51% | -176,500 |
| GRAND TOTAL | 31,194,773 | 45,766,521 | 32,225,903 | 45,734,448 | 0.07% | -32,073 |

MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

Appendix B 2

YEAR END PROJECTION

OPERATING EXPENDITURES

| | 2010 ACTUAL | 2011 BUDGET | 2011 Y-T-D | 2011 PROJ'TN | Proj't vs Budget 2011 | |
|--|-------------------|-------------------|-------------------|-------------------|--------------------------|----------------|
| | | | | | % | Dollars |
| GENERAL GOVERNMENT | 716,119 | 1,874,236 | 1,198,008 | 1,893,314 | 1.02% | 19,078 |
| COUNCIL | 104,960 | 245,109 | 126,873 | 263,109 | 7.34% | 18,000 |
| FINANCIAL SERVICES | 517,151 | 1,085,388 | 524,618 | 1,084,888 | -0.05% | -500 |
| CORPORATE SERVICES | 496,639 | 1,058,605 | 513,349 | 1,058,847 | 0.02% | 242 |
| TOURISM | 29,306 | 44,600 | 32,290 | 47,500 | 6.50% | 2,900 |
| ECONOMIC DEVELOPMENT | 44,239 | 119,837 | 49,151 | 123,138 | 2.75% | 3,301 |
| BYLAW ENFORCEMENT | 123,421 | 257,832 | 123,473 | 257,590 | -0.09% | -241 |
| PARKING | 33,837 | 109,424 | 33,354 | 88,669 | -18.97% | -20,755 |
| ANIMAL CONTROL | 1,406 | 63,817 | 8,123 | 64,470 | 1.02% | 654 |
| ESSEX COUNTY TORNADO CORPORATE SERVICES | 0 | 0 | 0 | 0 | | |
| | 728,847 | 1,654,113 | 759,740 | 1,640,214 | -1.03% | -17,041 |
| PLANNING | 166,926 | 456,305 | 164,237 | 441,085 | -3.34% | -15,220 |
| BUILDING | 223,306 | 489,735 | 224,371 | 492,735 | 0.61% | 3,000 |
| FIRE SERVICES | 709,581 | 1,811,380 | 753,451 | 1,811,271 | -0.01% | -110 |
| DEVELOPM'T SERVICES | 1,099,813 | 2,757,420 | 1,142,059 | 2,745,091 | -0.45% | -12,330 |
| ENGINEERING | 391,957 | 1,618,712 | 365,921 | 1,599,312 | -1.20% | -19,400 |
| STREETLIGHTS | 118,722 | 285,000 | 99,082 | 285,000 | 0.00% | |
| SEWERS - URBAN | 78,013 | 341,166 | 107,034 | 352,316 | 3.27% | 11,150 |
| DRAINAGE | 194,800 | 392,354 | 217,200 | 437,500 | 11.51% | 45,147 |
| ENGINEERING SERVICE | 783,492 | 2,637,231 | 789,237 | 2,674,128 | 1.40% | 36,897 |
| COMMUNITY SERVICES | 372,104 | 845,670 | 375,764 | 843,873 | -0.21% | -1,797 |
| ARTS & CULTURE | 46,858 | 71,136 | 41,085 | 71,636 | 0.70% | 500 |
| TRANSIT | 55,684 | 145,235 | 40,280 | 134,404 | -7.46% | -10,831 |
| COMMUNITY SERVICES | 474,646 | 1,062,040 | 457,128 | 1,049,913 | -1.14% | -12,127 |
| PUBLIC WORKS | 966,061 | 2,476,898 | 1,094,991 | 2,556,274 | 3.20% | 79,376 |
| SANITATION | 598,498 | 1,479,895 | 632,531 | 1,476,843 | -0.21% | -3,052 |
| CEMETERIES | 38,748 | 84,042 | 35,783 | 84,899 | 1.02% | 858 |
| PARKS | 370,504 | 728,123 | 311,422 | 727,410 | -0.10% | -713 |
| PUBLIC WORKS | 1,973,812 | 4,768,957 | 2,074,726 | 4,845,427 | 1.60% | 76,470 |
| KINSMEN COMPLEX | 1,417,313 | 2,605,543 | 1,150,551 | 2,582,854 | -0.87% | -22,689 |
| MARINA | 253,960 | 629,830 | 195,164 | 627,498 | -0.37% | -2,332 |
| ERIE QUEST | 2,796 | 7,358 | 2,755 | 7,358 | 0.00% | |
| GENERAL DEBT SERVICE | 1,123,904 | 1,372,687 | 1,039,885 | 1,372,687 | 0.00% | |
| URBAN DEBT SERVICE | 585,032 | 663,707 | 549,127 | 663,707 | 0.00% | |
| COUNCIL DETERMINED | 9,781,846 | 21,363,619 | 10,009,871 | 21,450,186 | 0.41% | 86,567 |
| POLICE SERVICES | 3,072,139 | 8,827,867 | 3,354,689 | 8,827,867 | 0.00% | |
| TAXATION SUPPORTED | 12,853,985 | 30,191,486 | 13,364,560 | 19,413,793 | 0.29% | 86,567 |
| CWFD SURPLUS TAXATION REVENUES | | | | | | |
| TAXATION FUNDED TOTAL | 12,853,985 | 30,191,486 | 13,364,560 | 30,278,053 | 0.29% | 86,567 |
| WATER SERVICES | 2,440,184 | 6,364,769 | 2,206,590 | 6,357,236 | -0.12% | -7,533 |
| WASTEWATER FACILITY | 2,389,580 | 4,751,631 | 1,955,567 | 4,647,730 | -2.19% | -103,901 |
| GRAND TOTAL | 17,683,749 | 41,307,886 | 17,526,717 | 41,283,019 | -0.06% | -24,867 |

MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

Appendix B 3

YEAR END PROJECTION

NET OPERATIONAL COST

| | 2010 ACTUAL | 2011 BUDGET | 2011 Y-T-D | 2011 PROJ'TN | Proj't vs Budget 2011 | |
|------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------------|---------------|
| | | | | | % | Dollars |
| GENERAL GOVERNMENT | -366,672 | -1,103,499 | -464,219 | -1,087,721 | -1.43% | 15,778 |
| COUNCIL | 104,960 | 245,109 | 126,873 | 263,109 | 7.34% | 18,000 |
| FINANCIAL SERVICES | 466,672 | 754,298 | 466,983 | 753,798 | -0.07% | -500 |
| CORPORATE SERVICES | 415,372 | 914,085 | 432,694 | 909,827 | -0.47% | -4,259 |
| TOURISM | 29,249 | 44,600 | 32,283 | 47,493 | 6.49% | 2,893 |
| ECONOMIC DEVELOPMENT | 44,239 | 116,037 | 49,151 | 115,338 | -0.60% | -699 |
| BYLAW ENFORCEMENT | 116,271 | 242,832 | 115,608 | 240,590 | -0.92% | -2,241 |
| PARKING | -71,420 | -30,476 | -73,254 | -51,231 | 68.10% | -20,755 |
| ANIMAL CONTROL | -35,398 | 13,617 | -41,430 | 13,270 | -2.54% | -347 |
| ESSEX COUNTY TORNADO | 0 | 0 | 0 | 0 | | |
| CORPORATE SERVICES | 498,313 | 1,300,693 | 515,053 | 1,275,287 | -1.95% | -24,041 |
| PLANNING | 134,110 | 402,005 | 128,350 | 379,645 | -5.56% | -22,360 |
| BUILDING | 93,632 | 158,735 | 102,070 | 162,235 | 2.20% | 3,500 |
| FIRE SERVICES | 705,884 | 1,805,380 | 749,959 | 1,805,271 | -0.01% | -110 |
| DEVELOPM'T SERVICES | 933,626 | 2,366,120 | 980,379 | 2,347,151 | -0.80% | -18,970 |
| ENGINEERING | 386,700 | 1,596,712 | 360,559 | 1,577,312 | -1.21% | -19,400 |
| STREETLIGHTS | 118,722 | 285,000 | 99,082 | 285,000 | 0.00% | |
| SEWERS - URBAN | -211,180 | 51,973 | -182,159 | 63,123 | 21.45% | 11,150 |
| DRAINAGE | 59,043 | 95,354 | 49,013 | 90,500 | -5.09% | -4,853 |
| ENGINEERING SERVICE | 353,284 | 2,029,038 | 326,494 | 2,015,935 | -0.65% | -13,103 |
| COMMUNITY SERVICES | -40,757 | 0 | -47,068 | 0 | | |
| ARTS & CULTURE | 46,858 | 71,136 | 41,085 | 71,636 | 0.70% | 500 |
| TRANSIT | 55,684 | 145,235 | 40,280 | 134,404 | -7.46% | -10,831 |
| COMMUNITY SERVICES | 61,785 | 216,370 | 34,296 | 206,040 | -4.77% | -10,330 |
| PUBLIC WORKS | 956,853 | 2,427,005 | 1,084,378 | 2,505,138 | 3.22% | 78,133 |
| SANITATION | -688,492 | 189,414 | -658,275 | 186,362 | -1.61% | -3,052 |
| CEMETERIES | 29,892 | 70,557 | 23,392 | 67,499 | -4.33% | -3,057 |
| PARKS | 357,031 | 703,673 | 293,969 | 696,035 | -1.09% | -7,638 |
| PUBLIC WORKS | 655,284 | 3,390,649 | 743,465 | 3,455,035 | 1.90% | 64,386 |
| KINSMEN COMPLEX | 248,345 | 702,745 | 254,691 | 686,789 | -2.27% | -15,956 |
| MARINA | 1,984 | 57,090 | -58,025 | 108,280 | 89.67% | 51,190 |
| ERIE QUEST | 2,796 | 7,358 | 2,755 | 7,358 | 0.00% | |
| GENERAL DEBT SERVICE | 1,123,904 | 1,372,687 | 1,039,885 | 1,372,687 | 0.00% | |
| URBAN DEBT SERVICE | 585,032 | 663,707 | 549,127 | 663,707 | 0.00% | |
| COUNCIL DETERMINED | 4,669,314 | 12,002,364 | 4,517,758 | 12,067,453 | 0.54% | 65,089 |
| POLICE SERVICES | 2,894,653 | 8,323,767 | 3,164,854 | 8,321,767 | -0.02% | -2,000 |
| TAXATION SUPPORTED | 7,563,967 | 20,326,132 | 7,682,612 | 20,389,220 | 0.31% | 63,089 |
| CWFD SURPLUS | 0 | 0 | 0 | 0 | | |
| TAXATION REVENUES | 21,943,985 | 22,781,107 | 22,852,055 | 22,852,055 | 0.31% | 70,948 |
| TAXATION FUNDED TOTAL | -14,380,018 | -2,454,975 | -15,169,443 | -2,462,835 | 0.32% | -7,859 |
| WATER SERVICES | 20,526 | -1,733,791 | 28,935 | -1,791,324 | 3.32% | -57,533 |
| WASTEWATER FACILITY | 848,468 | -269,869 | 441,321 | -197,270 | -26.90% | 72,599 |
| GRAND TOTAL | -13,511,024 | -4,458,635 | -14,699,187 | -4,451,429 | -0.16% | 7,206 |

MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

Appendix B 4

YEAR END PROJECTION

RESERVES

| | 2010 ACTUAL | 2011 BUDGET | 2011 Y-T-D | 2011 PROJ'TN | Proj't vs Budget 2011 | |
|------------------------------|----------------|------------------|----------------|------------------|--------------------------|----------------|
| | | | | | % | Dollars |
| GENERAL GOVERNMENT | 59,000 | 367,391 | 269,278 | 367,391 | 0.00% | |
| COUNCIL | 0 | 0 | 0 | 0 | | |
| FINANCIAL SERVICES | 25,000 | 39,000 | 25,000 | 39,000 | 0.00% | |
| CORPORATE SERVICES | 0 | 0 | 0 | 0 | | |
| TOURISM | 0 | 0 | 0 | 0 | | |
| ECONOMIC DEVELOPMENT | 0 | 0 | 0 | 0 | | |
| BYLAW ENFORCEMENT | 0 | 5,000 | 0 | 5,000 | 0.00% | |
| PARKING | 0 | 30,476 | 0 | 51,231 | 68.10% | 20,755 |
| ANIMAL CONTROL | 0 | 0 | 0 | 0 | | |
| ESSEX COUNTY TORNADO | 0 | 0 | 0 | 0 | | |
| CORPORATE SERVICES | 0 | 35,476 | 0 | 56,231 | 58.50% | 20,755 |
| PLANNING | 0 | -45,000 | 0 | -45,000 | 0.00% | |
| BUILDING | 16,068 | 12,500 | 12,500 | 12,500 | 0.00% | |
| FIRE SERVICES | 25,000 | 127,500 | 25,000 | 127,500 | 0.00% | |
| DEVELOPM'T SERVICES | 41,068 | 95,000 | 37,500 | 95,000 | 0.00% | 0 |
| ENGINEERING | 3,125 | 55,000 | 3,125 | 55,000 | 0.00% | |
| STREETLIGHTS | 0 | 0 | 0 | 0 | | |
| SEWERS - URBAN | 0 | 1,150,000 | 0 | 1,150,000 | 0.00% | |
| DRAINAGE | 3,125 | 3,125 | 3,125 | 3,125 | 0.00% | |
| ENGINEERING SERVICE | 6,250 | 1,208,125 | 6,250 | 1,208,125 | 0.00% | 0 |
| COMMUNITY SERVICES | 0 | 0 | 0 | 0 | | |
| ARTS & CULTURE | 0 | 0 | 0 | 0 | | |
| TRANSIT | 0 | -32,533 | 0 | -21,690 | -33.33% | 10,843 |
| COMMUNITY SERVICES | 0 | -32,533 | 0 | -21,690 | -33.33% | 10,843 |
| PUBLIC WORKS | 188,000 | 288,000 | 188,000 | 288,000 | 0.00% | |
| SANITATION | 0 | -34,414 | 0 | -31,362 | -8.87% | 3,052 |
| CEMETERIES | 0 | 0 | 0 | 0 | | |
| PARKS | 0 | -7,895 | 3,500 | -895 | -88.66% | 7,000 |
| PUBLIC WORKS | 188,000 | 245,691 | 191,500 | 255,743 | 4.09% | 10,052 |
| KINSMEN COMPLEX | 2,500 | 22,462 | 2,500 | 22,462 | 0.00% | |
| MARINA | 0 | 65,000 | 0 | 65,000 | 0.00% | |
| ERIE QUEST | 0 | 0 | 0 | 0 | | |
| GENERAL DEBT SERVICE | | | | | | |
| URBAN DEBT SERVICE | | | | | | |
| COUNCIL DETERMINED | 321,818 | 2,045,612 | 532,028 | 2,087,262 | 2.04% | 41,649 |
| POLICE SERVICES | 80,000 | -1,326,750 | 80,000 | -1,326,750 | 0.00% | |
| TAXATION SUPPORTED | 401,818 | 718,862 | 612,028 | 760,512 | 5.79% | 41,649 |
| CWFD SURPLUS | | | | | | |
| TAXATION REVENUES | | | | | | |
| TAXATION FUNDED TOTAL | 401,818 | 718,862 | 612,028 | 760,512 | 5.79% | 41,649 |
| WATER SERVICES | 0 | 1,733,791 | 0 | 1,791,324 | 3.32% | 57,533 |
| WASTEWATER FACILITY | 0 | -250,049 | 0 | -43,719 | -82.52% | 206,330 |
| GRAND TOTAL | 401,818 | 2,202,604 | 612,028 | 2,508,117 | 13.87% | 305,512 |

MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

Appendix B 5

YEAR END PROJECTION

CAPITAL

| | 2010 ACTUAL | 2011 BUDGET | 2011 Y-T-D | 2011 PROJ'TN | Proj't vs Budget 2011 | |
|------------------------------|-------------------|------------------|-------------------|------------------|--------------------------|-----------------|
| | | | | | % | Dollars |
| GENERAL GOVERNMENT | -1,351,059 | 2,375 | 4,179,695 | -97,695 | -4213.49% | -100,070 |
| COUNCIL | 0 | 0 | 0 | 0 | | |
| FINANCIAL SERVICES | 0 | 68,000 | 0 | 68,000 | 0.00% | |
| CORPORATE SERVICES | 0 | 0 | 0 | 0 | | |
| TOURISM | 0 | 0 | 0 | 0 | | |
| ECONOMIC DEVELOPMENT | 0 | 0 | 0 | 0 | | |
| BYLAW ENFORCEMENT | 0 | 0 | 0 | 0 | | |
| PARKING | 0 | 0 | 31,309 | 0 | | |
| ANIMAL CONTROL | 0 | 0 | 0 | 0 | | |
| ESSEX COUNTY TORNADO | 0 | 0 | 0 | 0 | | |
| CORPORATE SERVICES | 0 | 0 | 31,309 | 0 | | 0 |
| PLANNING | 0 | 0 | 0 | 0 | | |
| BUILDING | 0 | 0 | 0 | 0 | | |
| FIRE SERVICES | -10,000 | 207,000 | 191,473 | 207,000 | 0.00% | |
| DEVELOPM'T SERVICES | -10,000 | 207,000 | 191,473 | 207,000 | 0.00% | 0 |
| ENGINEERING | 2,881,083 | 486,936 | 35,064 | 479,936 | -1.44% | -7,000 |
| STREETLIGHTS | 0 | 0 | 0 | 0 | | |
| SEWERS - URBAN | 0 | 150,000 | 154,422 | 150,000 | 0.00% | 0 |
| DRAINAGE | -52,819 | 139,165 | 578,322 | 129,165 | -7.19% | -10,000 |
| ENGINEERING SERVICE | 2,828,264 | 776,101 | 767,807 | 759,101 | -2.19% | -17,000 |
| COMMUNITY SERVICES | 0 | 0 | 0 | 0 | | |
| ARTS & CULTURE | -41,230 | 0 | 0 | 0 | | |
| TRANSIT | 0 | 0 | 0 | 0 | | |
| COMMUNITY SERVICES | -41,230 | 0 | 0 | 0 | | 0 |
| PUBLIC WORKS | 0 | 40,000 | 1,576 | 40,576 | 1.44% | 576 |
| SANITATION | 0 | 0 | 0 | 0 | | |
| CEMETERIES | 0 | 0 | 0 | 0 | | |
| PARKS | -4,800 | 471,634 | 978,968 | 476,353 | 1.00% | 4,719 |
| PUBLIC WORKS | -4,800 | 511,634 | 980,544 | 516,929 | 1.03% | 5,295 |
| KINSMEN COMPLEX | 0 | 130,200 | 137,292 | 130,200 | 0.00% | |
| MARINA | 5,915 | 30,800 | 946,544 | 31,153 | 1.15% | 353 |
| ERIE QUEST | 0 | 0 | 0 | 0 | | |
| GENERAL DEBT SERVICE | | | | | | |
| URBAN DEBT SERVICE | | | | | | |
| COUNCIL DETERMINED | 1,427,090 | 1,726,109 | 7,234,664 | 1,614,688 | -6.46% | -111,422 |
| POLICE SERVICES | 207,206 | 10,000 | -49,260 | 10,000 | 0.00% | |
| TAXATION SUPPORTED | 1,634,295 | 1,736,109 | 7,185,404 | 1,614,688 | -6.99% | -111,422 |
| CWFD SURPLUS | | | | | | |
| TAXATION REVENUES | | | | | | |
| TAXATION FUNDED TOTAL | 1,634,295 | 1,736,109 | 7,185,404 | 1,624,688 | -6.42% | -111,422 |
| WATER SERVICES | 10,667 | 0 | 44,925 | 0 | | |
| WASTEWATER FACILITY | 17,112,510 | 519,918 | 5,731,861 | 240,989 | -53.65% | -278,929 |
| GRAND TOTAL | 18,757,472 | 2,256,027 | 12,962,190 | 1,865,677 | -17.30% | -390,350 |

MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

Appendix B 6

YEAR END PROJECTION

DEPARTMENTCOST

| | 2010 ACTUAL | 2011 BUDGET | 2011 Y-T-D | 2011 PROJ'TN | Proj't vs Budget 2011 | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|----------------|
| | | | | | % | Dollars |
| GENERAL GOVERNMENT | -1,658,731 | -733,733 | 3,984,754 | -818,025 | 11.49% | -84,292 |
| COUNCIL | 104,960 | 245,109 | 126,873 | 263,109 | 7.34% | 18,000 |
| FINANCIAL SERVICES | 491,672 | 861,298 | 491,983 | 860,798 | -0.06% | -500 |
| CORPORATE SERVICES | 415,372 | 914,085 | 432,694 | 909,827 | -0.47% | -4,258 |
| TOURISM | 29,249 | 44,600 | 32,283 | 47,493 | 6.49% | 2,893 |
| ECONOMIC DEVELOPMENT | 44,239 | 116,037 | 49,151 | 115,338 | -0.60% | -699 |
| BYLAW ENFORCEMENT | 116,271 | 247,832 | 115,608 | 245,590 | -0.90% | -2,242 |
| PARKING | -71,420 | 0 | -41,945 | 0 | | |
| ANIMAL CONTROL | -35,398 | 13,617 | -41,430 | 13,270 | -2.55% | -347 |
| ESSEX COUNTY TORNADO | 0 | 0 | 0 | 0 | | |
| CORPORATE SERVICES | 498,313 | 1,336,171 | 546,361 | 1,331,518 | 0 | -4,653 |
| PLANNING | 134,110 | 357,005 | 128,350 | 334,645 | -6.26% | -22,360 |
| BUILDING | 109,700 | 171,235 | 114,570 | 174,735 | 2.04% | 3,500 |
| FIRE SERVICES | 720,884 | 2,139,880 | 966,432 | 2,139,771 | -0.01% | -109 |
| DEVELOPM'T SERVICES | 964,694 | 2,668,120 | 1,209,352 | 2,649,151 | -0.71% | -18,969 |
| ENGINEERING | 3,270,907 | 2,138,648 | 398,747 | 2,112,248 | -1.23% | -26,400 |
| STREETLIGHTS | 118,722 | 285,000 | 99,082 | 285,000 | 0.00% | |
| SEWERS - URBAN | -211,180 | 1,351,973 | -27,738 | 1,363,123 | 0.82% | 11,150 |
| DRAINAGE | 9,349 | 237,643 | 630,459 | 222,790 | -6.25% | -14,853 |
| ENGINEERING SERVICE | 3,187,798 | 4,013,264 | 1,100,550 | 3,983,161 | 0 | -30,103 |
| COMMUNITY SERVICES | -40,757 | 0 | -47,068 | 0 | | |
| ARTS & CULTURE | 5,627 | 71,136 | 41,085 | 71,636 | 0.70% | 500 |
| TRANSIT | 55,684 | 112,702 | 40,280 | 112,714 | 0.01% | 12 |
| COMMUNITY SERVICES | 20,554 | 183,838 | 34,297 | 184,350 | 0.28% | 512 |
| PUBLIC WORKS | 1,144,853 | 2,755,005 | 1,273,955 | 2,833,714 | 2.86% | 78,709 |
| SANITATION | -688,492 | 155,000 | -658,275 | 155,000 | 0.00% | |
| CEMETERIES | 29,892 | 70,557 | 23,392 | 67,499 | -4.33% | -3,058 |
| PARKS | 352,231 | 1,167,412 | 1,276,438 | 1,171,493 | 0.35% | 4,081 |
| PUBLIC WORKS | 838,484 | 4,147,974 | 1,915,510 | 4,227,706 | 1.92% | 79,732 |
| KINSMEN COMPLEX | 250,845 | 855,407 | 394,483 | 839,451 | -1.87% | -15,956 |
| MARINA | 7,899 | 152,890 | 888,518 | 204,433 | 33.71% | 51,543 |
| ERIE QUEST | 2,796 | 7,358 | 2,755 | 7,358 | 0.00% | |
| GENERAL DEBT SERVICE | 1,123,904 | 1,372,687 | 1,039,885 | 1,372,687 | 0.00% | |
| URBAN DEBT SERVICE | 585,032 | 663,707 | 549,127 | 663,707 | 0.00% | |
| COUNCIL DETERMINED | 6,418,220 | 15,774,090 | 12,284,448 | 15,769,404 | -0.03% | -4,686 |
| POLICE SERVICES | 3,181,858 | 7,007,017 | 3,195,595 | 7,005,017 | -0.03% | -2,000 |
| TAXATION SUPPORTED | 9,600,078 | 22,781,107 | 15,480,043 | 22,774,421 | -0.03% | -6,686 |
| CWFD SURPLUS | 0 | 0 | 0 | 0 | | |
| TAXATION REVENUES | 21,943,985 | 22,781,107 | 22,852,055 | 22,852,055 | 0.31% | 70,948 |
| TAXATION FUNDED TOTAL | 12,343,907 | 0 | 7,372,012 | 77,634 | | -77,634 |
| WATER SERVICES | 31,193 | 0 | 73,860 | 0 | | |
| WASTEWATER FACILITY | 17,960,978 | 0 | 6,173,182 | 0 | | |
| GRAND TOTAL | 30,336,078 | 0 | 13,619,054 | 77,634 | | -77,634 |

APPENDIX "C"
MUNICIPALITY OF LEAMINGTON
2011
2ND QUARTER VARIANCE PROJECTION
AS OF JUNE 30, 2011

SUMMARY BY DEPARTMENT

| <u>DEPARTMENT</u> | <u>GROSS COST</u> | <u>YTD Cost COST</u> | <u>FORECAST</u> | 9020-9025 | 9020-9035 | 2100-2120 | 4800-4802 | 4800-4800 | 4800-4801 | <u>NET FROM REVENUE FUND</u> | |
|---------------------------|-------------------|----------------------|-------------------|-------------------------|-------------------------|------------------|-------------------|------------------|-------------------|------------------------------|------------------|
| | | | | <u>FINANCING SOURCE</u> | | | | | | | |
| | | | | <u>FUNDS / RESERVES</u> | <u>DEFERRED REVENUE</u> | <u>GRANTS</u> | <u>ASSET SALE</u> | <u>SUNDRY</u> | <u>W-I-P CWFD</u> | <u>DEBT</u> | |
| GENERAL & ADMIN | 3,049,300 | 5,095,000.24 | 6,049,300 | 600,000 | | 1,578,925 | 500,000 | | -3,000,000 | 3,300,000 | 70,375 |
| DEVELOPMENT SERVICES | | - | | | | | | | | | |
| ENGINEERING | 1,899,500 | 35,063.94 | 1,804,500 | 724,100 | 646,800 | 9,300 | | 32,364 | | | 486,936 |
| URBAN SEWERS | 1,192,300 | 154,421.86 | 1,288,990 | 752,141 | | 7,612 | | 378,027 | -95,480 | | 150,000 |
| DRAINAGE | 1,125,344 | 603,096.12 | 1,539,567 | 67,018 | | 416,489 | | 936,975 | -434,302 | | 139,165 |
| FIRE | 302,000 | 191,472.69 | 302,000 | 95,000 | | | | | | | 207,000 |
| PARKING | 35,400 | 31,309.07 | 35,400 | 35,400 | | | | | | | |
| PUBLIC WORKS | 245,000 | 1,576.27 | 239,576 | 193,000 | | | 12,000 | | | | 40,000 |
| CEMETERIES | | - | | | | | | | | | |
| PARKS | 1,635,740 | 978,968.10 | 2,396,759 | 80,000 | 50,733 | 573,893 | | 615,780 | -756,300 | 600,000 | 471,634 |
| KINSMEN COMPLEX | 468,800 | 137,291.68 | 468,800 | 338,600 | | | | | | | 130,200 |
| MARINA | 2,284,000 | 1,509,241.12 | 2,846,353 | 121,200 | | 882,000 | | 1,250,000 | | | 30,800 |
| ARTS & CULTURE | 90,000 | - | 49,000 | 87,500 | | | | 2,500 | | | |
| TRANSIT | 290,000 | - | 290,000 | | 290,000 | | | | | | |
| COUNCIL DETERMINED | 12,617,384 | 8,737,441 | 17,310,245 | 3,093,959 | 987,533 | 3,468,219 | 512,000 | 3,215,646 | -4,286,082 | 3,900,000 | 1,726,109 |
| POLICE SERVICES | 10,000 | - | 10,000 | | | | | | | | 10,000 |
| WASTEWATER | 7,178,929 | 5,731,860.93 | 10,000,000 | 504,145 | | 1,754,866 | | | -3,100,000 | 7,500,000 | 519,918 |
| WATER SERVICES | 1,272,500 | 44,925.09 | 1,084,991 | 1,266,500 | | | | 6,000 | | | |
| TOTAL CAPITAL | 21,078,813 | 14,514,227 | 28,405,236 | 4,864,604 | 987,533 | 5,223,086 | 512,000 | 3,221,646 | -7,386,082 | 11,400,000 | 2,256,027 |