



STAFF REPORT

REPORT OF THE DIRECTOR OF FINANCE & TREASURER FOR THE CONSIDERATION OF COUNCIL RE. 2020 OPERATING SURPLUS

OBJECTIVE

To provide information pertaining to the operating surplus/deficit line on the 2020 audited financial statements.

RECOMMENDATION

That the report of the Director of Finance/Treasurer re: the 2020 operating surplus be received;

And that Council authorize the transfer of the 2020 surplus, estimated to be \$1,247,335 to the Working Funds Reserve.

Respectfully Submitted

Amy Sonnenburg
Director of Finance & Treasurer

Approved

Daniel Gagnon
Chief Administrative Officer

BACKGROUND

Historically it has been the intent of council to transfer in year surpluses to the Working Funds Capital Reserve or the Waste Water Reserve. Transfers are calculated during the closure of the year; subsequent transfers would occur (if supported) by council resolution. The transfer is completed and presented in the finalized financial statements.

ANALYSIS

In 2020, the unaudited statement of financial position is as follows.

Operationally the City was \$1,284,845 under budget. User Pay (Water and Sewer) was \$1,893 under budget. The Elliot Lake Residential Development Commission was over expended by \$39,402. Resulting in a global surplus of \$1,247,335.

CITY OF ELLIOT LAKE

2020 Unaudited Statement of Financial Position as of December 31, 2020

OPERATIONS	2020 Actual (\$)	2020 Budget (\$)	Variance (\$)
Grants and PILs	(20,861,594)	(20,809,458)	(52,136)
Council	150,521	160,715	(10,194)
CAO	312,757	374,028	(61,271)
Corporate Services	3,991,606	3,289,449	702,156
Protective Services	2,026,067	2,236,565	(210,498)
Infrastructure Services	6,607,891	6,943,065	(335,174)
Recreation and Culture	1,163,550	1,362,615	(199,065)
Economic Development	(451,983)	372,560	(824,543)
Outside Boards & Agencies	5,776,340	6,070,460	(294,120)
(SURPLUS) / DEFICIT	(1,284,845)	-	(1,284,845)
WATER AND SEWER			
Billing	(4,699,699)	(4,742,900)	43,201
Plants	1,135,008	1,260,136	(125,128)
Sewers	932,136	958,150	(26,014)
Water Treatment	974,848	868,800	106,048
Capital Program Contributions	1,655,814	1,655,814	-
(SURPLUS) / DEFICIT	(1,893)	-	(1,893)
ELRDC			
Revenue and Deposits	(94,000)	-	(94,000)
Cost of Goods Sold	25,180	-	25,180
Interest Bank Account	(34,331)	-	(34,331)
Honorarium and Benefits	1,504	-	1,504
General Expenses	30,408	-	30,408
Contracted Services	37,853	-	37,853
Transfer to Reserve	72,788	-	72,788
(SURPLUS) / DEFICIT	39,402	-	39,402
GLOBAL (SURPLUS) / DEFICIT		(\$1,247,335)	

Note: Final journal entries will be completed after finalization of the financial statements; minor variance may occur in line-by-line detail.

FINANCIAL IMPACT

Appendix A details the current state of reserves including the proposed transfer. The working funds reserve had a closing balance of \$1,833,653.57 in 2019 (the opening balance for 2020). A summary of the working funds details the activity in 2020 inclusive of the proposed transfer to working funds.

THE CORPORATION OF THE CITY OF ELLIOT LAKE	
WORKING FUNDS RESERVE SCHEDULE	
Balance at December 31, 2017	(359,896.15)
<u>2018 TRANSFERS [TO]/FROM RESERVES:</u>	
Budgeted transfer to reserve	(60,000.00)
CT Scan Donation	359,026.50
<i>2017 Surplus transfer booked Aug 2018 & Adjusting Journal Entry</i>	<i>(278,436.74)</i>
<i>2017 ending balance correction (for opening 2018)</i>	<i>25,045.83</i>
<i>Transfer interest from surplus to community Hub (GL activity 2018)</i>	<i>2,298.80</i>
Interest (TC)	(6,664.93)
Balance at December 31, 2018	(318,626.69)
<u>2019 TRANSFERS [TO]/FROM RESERVES:</u>	
budgeted transfer to reserve	(60,000.00)
budgeted transfer from reserve	75,000.00
Sunday Transit Service	27,000.00
20th Anniversary Enhanced Drag Race Event	37,400.00
Modernization Grant	(586,000.00)
Interest	(6,615.88)
Transfer 2019 Surplus	(523,768.00)
Transfer 2019 Surplus	(478,043.00)
Balance at December 31, 2019	(1,833,653.57)
<u>2020 TRANSFERS [TO]/FROM RESERVES</u>	
Transfer From Operations	(60,000.00)
Business Restart Grant - Covid-19	50,000.00
Accessibility Audit & Compliance	41,424.68
Interest	(31,587.65)
Transfer 2020 Surplus (per draft statement)	(1,247,335.00)
Balance at December 31, 2020	(3,081,151.54)

SUMMARY

It is the recommendation of the Director of Finance & Treasurer that the 2020 operating surplus be transferred to the Working Funds Reserve, and that this change is reflected in the final 2020 Financial Statements.