



TOWN OF OXFORD

Special Meeting

Conducted through Zoom, streamed live to Facebook

Monday, 01 March 2021

Time: immediately following the Committee of the Whole

AGENDA

1. Call to Order

2. Approval of Agenda

3. RFD# 003-2021: Revision of 2020/2021 Budget to reflect actual deficit of 2019/2020

4. Adjournment



REQUEST FOR DECISION

**Revision of 2020/2021 Budget to reflect the actual deficit of 2019/2020
#003-2021**

Date: 01 March 2021	Subject: Revision of 2020/2021 Budget to reflect the actual deficit of 2019/2020
Proposal Attached: Yes	Submitted by: Linda Cloney, Acting Town Clerk

Proposal:	That Council approve to revise the 2020/2021 budget to allow for the actual deficit incurred in 2019/2020.
Background:	<p>As the Senior Accountant was working with the Province on the Statement of Estimates and Financial Information Return. It was noted that the 2020/2021 budget did not include the actual deficit for 2019/2020.</p> <p>The 2020/2021 general operating budget included the deficit of \$99,458 from 2019/2020. The actual deficit for 2019/2020 is \$208,822.</p> <p>Currently the 2020/2021 budget includes \$99,458 therefore an additional \$109,364 must be included and a revision is necessary.</p> <p>In the Municipal Government Act under the title “Estimates of required sums” – section 72 (4) it states “The council shall include in its estimates the deficit from the preceding fiscal year.</p>
Options:	<ol style="list-style-type: none"> 1. Apply for a payment plan to the Province. 2. Increase the 2020/2021 budget line “deficit of prior years” from \$99,458 to \$208,822. <ol style="list-style-type: none"> 2.a. Transfer from Reserves the School Enhancement Fund (\$157,900) and the MacKleeve Festival Fund (\$2,000) to the general operating bank account to cover the deficit for prior years. This will leave an addition of \$50,536 to add to our reserves at year end (March 31, 2021). 2.b. Delete the amount of \$31,767 on budget line 2020/2021 “transfer to reserves” and transfer \$77,597 from the operating reserves bank account to cover the deficit for prior years.

Disadvantages:	<p><u>Disadvantages for Option 1 – payment plan</u></p> <ul style="list-style-type: none"> ● This process will delay the equalization grant, that is due for the 2019/2020 fiscal year, in the 2020/2021 budgeted amount of \$178,171. <p><u>Disadvantages for Option 2.a.</u></p> <ul style="list-style-type: none"> ● The School Enhancement Fund and the MacKleeve Festival will no longer exist on the books <p><u>Disadvantages for Option 2.b.</u></p> <ul style="list-style-type: none"> ● The transfer from reserves will have to be paid back in next years budget 2021/2022 in the amount of \$52,794. (\$77,597 – 24,803 = \$52,794) (\$24,803 is the surplus from 2018/2019)
Advantages:	<p><u>Advantage for 1.</u></p> <p>Spread the additional deficit amount owed over future years.</p> <p><u>Advantage for Option 2.a.</u></p> <p>The Town of Oxford will be in a better Cash-Flow position.</p> <p><u>Advantage for Option 2.b.</u></p> <p>According to the FRAM Section 3(5)(b) ii. The council may budget for a deficit in the subsequent year if they intend to use the surplus of a prior year. Therefore \$24,803 of the \$77,597 transfer will not have to be paid back to reserves at year end (March 31, 2021)</p>
Required Resources:	
Source of Funding:	General Operating Budget and Operating Reserves
Sustainability Implications: (Environmental, Social, Economic and Cultural)	
Workplan Implications	Currently working on the 2021/2022 budget and with a financial advisor and the audit committee for future planning.

(now/future):	
Communication Plan:	
Staff Comments/ Recommendations:	Staff recommends Option 2.a. as it clears the School Enhancement Fund and the MacKleeve Festival Fund from the reserves, as they are both dormant. Also, we need the cash flow.
Acting Town Clerk's Review/ Comments:	I am in support of the staff's recommendation. We have both met and discussed this in detail. LC

Acting Town Clerk's Initials: LC

Target Decision Date: March 1, 2021

Town of Oxford
General Operating Fund
Statement of Financial Activities
(unaudited - prepared by management)
Year Ended March 31

		2020	2019
	Budget	Actual	Actual
Revenue			
Taxes	\$ 1,757,612	\$ 1,757,815	\$ 1,743,512
Grants in lieu of taxes	48,456	50,917	46,995
Services provided to other governments	57,658	57,452	56,215
Sale of services	57,100	48,711	53,551
Other revenue from own sources	87,000	115,504	91,945
Unconditional transfers from other governments	181,828	181,828	181,776
Conditional transfers from other governments	86,660	130,383	122,880
	<u>2,276,314</u>	<u>2,342,610</u>	<u>2,296,874</u>
Expenditures			
General government services	371,729	428,315	324,582
Protective services	755,768	819,703	780,889
Transportation services	317,174	325,789	356,202
Environmental health services	195,643	214,403	196,399
Public health services	35,658	33,054	34,942
Environmental development services	62,700	63,914	53,263
Recreation and cultural services	259,063	302,530	254,512
	<u>1,997,735</u>	<u>2,187,708</u>	<u>2,000,789</u>
Operating surplus	278,579	154,902	296,085
Transfers from (to) own funds	(278,579)	(276,397)	(271,282)
Extraordinary items	-	-	-
Annual Surplus/(Deficit)	<u>\$ -</u>	<u>(121,495)</u>	24,803
Accumulated surplus (deficit), beginning of year		24,803	(62,521)
Transfer from (to) operating reserve	-	<u>(87,327)</u>	62,521
Accumulated surplus, end of year		<u>\$ (184,019)</u>	<u>\$ 24,803</u>

(See Advisory to Readers - Page 1)

Budget for 2020/21 = deficit - 99,458
- transfer to reserves - 31,767