
Subject: 2018 Year End Results and Transfer Report

Report to: Corporate Services Committee

Report date: Wednesday, March 20, 2019

Recommendations

1. That the unaudited summarized results of the Niagara Region as detailed in Appendix 2 of Report CSD 21-2019, **BE RECEIVED** as follows:

Levy Programs	(\$1.7) Million
Niagara Regional Police (NRPS)	\$0.5 Million
Niagara Regional Housing (NRH)	\$2.6 Million
Court Services	<u>\$0.4 Million</u>
Levy Supported Surplus	<u>\$1.8 Million</u>

2. That the 2018 year end operating surplus for levy supported programs of \$1.8 million **BE TRANSFERRED** to Taxpayer Relief Reserve;
3. That the 2018 year end operating surplus for rate supported programs of \$3.6 million **BE TRANSFERRED** to reserves as follows:
- \$1.0 million surplus related to Waste Management **BE TRANSFERRED** to the Waste Management Stabilization Reserve
 - \$0.5 million surplus related to Waste Management **BE TRANSFERRED** to the Waste Management Landfill Liability Reserve
 - \$0.4 million **BE TRANSFERRED** from the Wastewater Stabilization Reserve to offset the deficit incurred relating to Wastewater services
 - \$0.1 million surplus related to the water service **BE TRANSFERRED** to the Water Stabilization Reserve
 - \$2.4 million surplus related to the water service **BE TRANSFERRED** to the Water Capital Reserve; and
4. That encumbrances of \$19.5 million, Appendix 1 of Report CSD 21-2019, **BE APPROVED** and that the deferral of these expenditures be included in the 2019 operating budget.

Key Facts

- Overall, the unaudited results of Niagara Region's 2018 budget are \$1.8 million surplus in the levy supported programs and \$3.6 million surplus in rate supported programs.

- Levy supported Regional Departments & General Government realized a funding deficit of \$1.7 million or 0.35% of budgeted expenses.
- Boards and Agencies realized a funding surplus after indirect allocations of \$3.5 million or 1.59% of their budgeted expenses.
- Water and Wastewater realized a combined funding surplus of \$2.1 million or 2.54% of total budget.
- Waste Management realized a funding surplus of \$1.5 million or 3.13% of total budget.
- The recommendations included in this report have been guided by the revised Operating Surplus/Deficit Policy approved by Council in July 2018 which states that “yearend surpluses will be allocated to those areas that have been identified as underfunded per the Reserve and Reserve Fund Policy and/or one time funding needs as recommended by Council”. Niagara Region staff did not evaluate risks of the underfunding of future liabilities related to NRH, the Courts and NRPS, these are determined by each governing body.
- Funding of \$19.5 million has been set aside in the encumbrance reserve. The majority of the encumbrance amount of \$14.3 million (73%) is related to various incentive and grant programs such as Combined Sewer Overflow Program, Smarter Niagara Incentive Program, and Waterfront Investment Program. Since the spending obligation, in the form of a purchase order, contract or other legally binding commitment, has been made against the 2018 operating budget, however, the product or service has not been received in the year. The budget funds will be transferred back to 2019 operating budget when the product or service is received and the related budget expenses will be grossed up for the year.
- In accordance with the Budget Control By-law, Capital Variance Projects (CVP) are allocated surplus from capital projects and used for funding capital project deficits in the year. The CVP are maintained at a target balance of \$1 million. Balances greater than \$1 million are transferred back to capital reserves at year end. Transfers back to the General Capital Levy of \$11 million, Wastewater capital of \$46 thousand and Water capital of \$0.8 million were completed at year end and utilized in the funding strategy for 2019 capital budget.

Financial Considerations

The recommendations in this report will fully allocate the 2018 year end surplus to reserves. Full explanations for the surplus/deficit can be found in Appendix 4 and are summarized on the “Consolidated Year End Funding Surplus/(Deficit) Review” in Appendix 2.

	Surplus/(Deficit) after indirect allocations (in millions)	Percentage of Budget (%)
Regional Depts & General Government	\$(1.7)	(0.35)
NRPS	\$0.5	0.34
Court Services	\$0.4	8.10
NRH	\$2.6	4.65
Levy Supported Surplus	\$1.8	0.26

Water, Wastewater and Waste Management year end positions are as follows and will be transferred to the applicable rate department reserves

	Surplus/(Deficit) after indirect allocations (in millions)	Percentage of Budget (%)
Water and Wastewater	\$2.1	2.54
Waste Management	\$1.5	3.13

Analysis

Full analysis and explanation of the rate and levy supporting programs can be found in the Annual Financial Update in Appendix 4 and on the Region’s website (<https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx>) which is Accessibility for Ontarians with Disabilities Act compliant. Hard copies of the report can be made available upon request.

Unspent Budgeted Reserve Transfers

The operating surplus for the 2018 Levy Supported Program of \$1.8 million, and operating surpluses relating to Water Wastewater and Waste Management of \$2.1 million and \$1.5 million respectively are after unspent budgeted “Transfers from Reserves” which are returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy. Unspent budgeted reserve transfers totaling \$522 thousand are related to:

- \$26 thousand transferred back to the Ambulance Communication Reserve resulting from unused funds for a software contract.
- \$92 thousand transferred back to the General Capital Levy Reserve as a result of lower than budgeted expenditures for drainage assessment grants.
- \$154 thousand transferred back to the General Capital Levy Reserve as a result of lower than budgeted expenditures for bike lane program funding for Local Area Municipalities.
- \$250 thousand transferred back to the Capital Levy Reserve as a result of lower than budgeted awards for the Waterfront Investment Program.

Encumbrances

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred but the goods or services have not been received by year end. An obligation to purchase can be in the form of a purchase order, contract or other legally binding commitment. Funds are requested to be set aside in the encumbrance reserve for use in the following year and are subject to Council approval.

Incorporated in the year end operating funding surpluses are encumbrances totaling \$19.3 million (see Appendix 1). As part of the year end reporting process the financial management and planning division has reviewed each encumbrance request with the originating department. The encumbrances identified will be transferred to the encumbrance reserve at December 31, 2018 and transferred back to their respective operating departments in 2019. Encumbrance balances that have been carried forward from 2017 have also been identified in Appendix 1.

The majority of encumbrance requests in 2018 relate to various incentive and grant programs which are in partnership with the Local Municipalities and span multiple years. The largest amounts are related to the Combined Sewer Overflow Program for \$9.7 million, Smarter Niagara Incentive Program of \$1.9 million, Tax Increment Grants of \$885 thousand, and Waterfront Investment Program for \$1.3 million and \$892 thousand encumbered for an Emergency Medical Services (EMS) Redesign.

A summary of encumbrances is provided in Appendix 1 and the surplus/deficit by department inclusive of encumbrances is provided in Appendix 2.

Reserve Impacts Based on Report Recommendations

The Operating Surplus/Deficit Policy outlines how annual operating surplus or deficits are addressed at year end, giving consideration to affordability, sustainability and the Niagara Region's credit rating. This policy applies to all departments, agencies, boards and commissions consolidated within the Niagara Region and states that year end surpluses will be allocated to those areas that have been identified as underfunded per

the Reserve and Reserve Fund Policy and/or one-time funding needs as recommended by Council.

The recommendation to transfer the levy supported surplus of \$1.8 million to the Taxpayer Relief Reserve is being made as this Reserve is currently underfunded per the Reserve and Reserve Fund Policy. The current balance of this Reserve is below the balance target of 10-15% of gross operating expenditures. After the recommended net transfer of \$1.8 million, the Taxpayer Relief Reserve balance will be \$26.5 million, or 5.02% of gross operating expenditures which remains below the minimum balance target of \$49.2 million to \$73.8 million respectfully.

Council has requested a report related to reserves and reserve policy which will be forthcoming later in the year.

Waste Management Reserves

It is recommended that the Waste Management surplus of \$1.5 million be transferred to Waste Management Reserves. In accordance with the recommendations outlined in the Waste Management Reserve Strategy (CSD 70-2017), it is recommended that \$1.0 million of the surplus be transferred to the Waste Management Stabilization Reserve. After the transfer, the Waste Management Stabilization balance will be \$7.4 million, with a funding target of \$4.9 million to \$7.4 million. The remaining \$0.5 million of the surplus will be transferred to the Waste Management Landfill Liability Reserve which will then have a balance of \$8.3 million, with a funding target of \$24.6 million by the end of 2027 as outlined in the reserve strategy.

Water and Wastewater Reserves

It is recommended that the Wastewater deficit of \$0.4 million be transferred from the Wastewater Stabilization Reserve. After the transfer, the Wastewater Stabilization Reserve balance will be \$3.0 million, with a minimum balance target of \$5.9 million to \$8.8 million.

It is recommended that \$0.1 million of the Water surplus (\$2.5 million) be transferred to the Water Stabilization Reserve. After the transfer, the Water Stabilization Reserve will be \$3.4 million, with a minimum balance target of \$2.3 million to \$3.4 million. It is recommended that the remaining surplus of \$2.4 million be transferred to the Water Capital Reserve as the Water Stabilization Reserve balance is at the target balance as per the Policy.

ABC program specific funding requirements

As the Surplus/Deficit Policy applies to all departments, agencies, boards and commissions the recommendation to transfer the levy supported surplus of \$1.8 million to the Taxpayer Relief Reserve is preferred in consideration of the Niagara Regions' sustainability and credit rating.

In February 2019, the NRPS Board received the year end report with a year end surplus before indirect allocations of \$0.3 million, which the NRPS Staff recommend to the Board be used to mitigate the overall levy deficit which is consistent with Regional staff recommendations in this report.

In February 2019, the NRH Board received the year end report with a year end surplus before indirect allocations of \$2.7 million, which the NRH staff recommended to the Board be allocated to NRH specific reserves (\$2.6 million transferred to NRH Reserve to fund future housing provider capital costs, \$0.1 million transferred to NRH Owned Units Reserve to fund annual capital requirements and \$6 thousand transferred to NRH Rent Supplement Reserve to funding continuing in-situ rent supplements). Given the deficit in the levy supported Regional Departments and General Departments, Regional staff is recommending the levy surplus be used to fund the levy supported deficit.

The Court Services net surplus of has been equally distributed between the Region and local area municipalities as per the Niagara Region Courts Inter-municipal Agreement and is reflected in the attached financial update. Staff recommends that the Region's portion of the revenue surplus in the Court Services program, before indirect allocations, in 2018 be used to offset the deficit in the levy supported Regional Departments and General Government.

Transfers back to Capital Levy Reserve

Throughout the year, project variances are transferred to or from the Capital Variance Project (CVP) to be used in year in accordance with the Budget Control By-law

During 2018, a total of 197 projects were closed compared to 126 projects in 2017. As a result of the project closures, a total of \$16.8 million and \$7.6 million were returned to the CV in 2018 and 2017 respectively.

At the end of the year, the balance of the CVPs are reviewed and the amount in excess of \$1 million is transferred to the appropriate capital reserve (see "Capital Variance Project Summary" in Appendix 4 for more detail). Due to a number of capital projects being identified as in need of funding in Q1 of 2019, higher CVP balances will be retained at year end to facilitate the project funding as noted in the table below. Subsequently, the CVP balances may fall below \$1 million limiting flexibility in funding

capital levy project deficits. Project variances will need to be reviewed on a project-by-project basis to determine if there is sufficient room in the CVP to fund the variance.

The following is a summary of the amounts being transferred back to reserve from each CVP and the balances as of December 31, 2018:

	CVP Balance Before Transfer to Reserve (in thousands)	Transfer to Reserve (in thousands)	CVP Balance After Transfer to Reserve (in thousands)	Note
Levy Programs	\$15,422	\$10,987	\$4,435	1
Waste Management	\$1,421	\$0	\$1,421	2
Wastewater	\$2,124	\$46	\$2,078	3
Water	\$1,837	\$837	\$1,000	
Total	\$20,804	\$11,870	\$8,934	

Note 1 - \$4.2 million of this balance has been committed for Council priority projects

Note 2 - \$570 thousand of this balance has been committed for Council priority projects

Note 3 - \$1.0 million of this balance has been committed for Council priority projects

Alternatives Reviewed

Council may direct staff to consider alternative options for the net surplus position of \$1.8 million. Some of the potential alternatives may include:

Alternative 1 – Support the recommendation of the NRH Board.

	Year end Surplus / (Deficit) (in millions)
Net Surplus	\$1.8
Less: NRH Year end Surplus*	(2.7)
Net deficit to be funded from Development Charges	(\$0.9)

* - before indirect allocations

Incorporated into the year end operating results is \$13.0 million in mandatory and discretionary DC grants/exemption expense for 2018 which contributes \$8.8 million to the corporate deficit. The grants include; \$324 thousand in brownfield grants; \$3.7 million in phase-in costs; \$275 thousand in hotel grants; \$5.4 million in agriculture grants, \$1.1 million grants related to affordable housing and approximately \$2.2 million in other mandatory and discretionary exemptions. As per the Development Charges Act, 1997 (as amended), development charge by-law exemptions or reductions for a specific type of development, phase in of development charges, or for a type of development to have a lower development charge than is allowed, are required to be

funded from another funding source and cannot be made up through higher development charges.

As per CSD 5-2019 approved by Corporate Service Committee on January 9, 2019, the shortfall in DC grant/exemption is recommended to be funded by a transfer from the DC Reserve as part of this report after the actual year end operating surplus/deficit is taken into consideration. Therefore this alternative would result in a transfer from the DC Reserve fund of \$0.9 million leaving a balance in the reserve of \$84 million as well as transfers to the NRH reserve totalling \$2.7 million in accordance with the Board approved motion.

Alternative 2 – Provide NRH / NRPS reserves with a portion of their total surplus after funding of corporate deficit.

As an alternative, Council may direct staff to share the corporate year end surplus with NRH and NRPS, apportioned using their respective year end surplus as detailed below.

	Year end surplus before indirect allocations (in millions)	Amount as % of total surplus	Apportionment of total surplus (in millions)
NRPS	\$0.3	10.7%	\$0.2
NRH	\$2.7	89.30%	\$1.6
Total	\$3.0	100.0%	\$1.8

If alternative 2 is recommended by Council, then the NRPS reserves would be allocated \$0.2 million and NRH reserves would be allocated \$1.6 million with no transfer to the Taxpayer Relief Reserve.

Relationship to Council Strategic Priorities

The 2018 budget was applied to advance Council's Strategic Priorities Moving People and Goods; Fostering Growth; Building a Labour-Ready Workforce; Positioning Niagara Globally; Doing Business Differently; and Advancing Organizational Excellence.

Other Pertinent Reports

- September 2018 Quarterly Financial Update
<https://www.niagararegion.ca/business/finance/quarterly-reports/pdf/sep-2018-quarterly-finance-report.pdf>
- June 2018 Quarterly Financial Update
<https://www.niagararegion.ca/business/finance/quarterly-reports/pdf/jun-2018-quarterly-finance-report.pdf>

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This report was prepared in consultation with the Corporate Leadership Team and consolidated ABC's and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.

Appendices

Appendix 1	Detailed Summary of Encumbrances by Department	Page 10
Appendix 2	Consolidated Year end Funding Surplus / (Deficit)	Page 12
Appendix 3	5 Year Funding Surplus / (Deficit) Analysis	Page 13
Appendix 4	December 2018 Annual Financial Update	Page 14

ENCUMBRANCE - 2018 DETAIL

(in thousands of dollars)

Description	Amount
General Government	
Public Realm Investment Program	
RR20 (Lundy's Lane) *	\$29
RR27 (East Main St.), RR68 (King St. RR68), RR527 (Division St.) *	\$12
Parkette Queenston St *	\$100
Prince Charles Dr *	\$13
RR18 (Ontario St.), RR81 (King St.)	\$15
Civic Square Revitalization	\$30
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)	\$100
Smithville Public Square	\$100
	\$399
Smarter Niagara Incentive Program - Tax Increment Grant	
Amounts issued in prior year*	\$103
Amounts issued in the current year	\$782
	\$885
Gateway - Tax Increment Grant	\$234
Smarter Niagara Incentive Program	
Building and Facade Improvement Grant/Loan Program	\$360
CIP/MasterPlans/Official Plans Grant Program	\$375
ESA Phase II (Risk Assessment Plan)	\$25
Heritage Restoration and Improvement Grant	\$34
Public Realm Grant Program	\$330
Residential Grant/Loan Program	\$721
	\$1,845
Total Encumbrances for General Government	\$3,363
Corporate Administration	
Communications Master Plan	\$20
Accounts Payable Audit	\$12
Employee Benefits Audit	\$50
Governance Review	\$40
Advertising Partnership with City of St. Catharines	\$13
Total Encumbrance for Corporate Administration	\$135
Corporate Services	
Employee Engagement Survey*	\$150
Staff Education Assistance*	\$14
Council Changeover	\$34
Total Encumbrance for Community Services	\$198
Enterprise Resource Management Services	
Tax Policy*	\$25
Asset Management Plan*	\$118
Consulting for ASD for LTC Redevelopment/Affordable Housing/Recycling Facilities	\$25
Sustainability Review	\$400
Advertising Partnership with City of St. Catharines	\$13
Total Encumbrance for Enterprise Resource Management Services	\$581
Community Services	
Regional Affordable Housing Strategy (SAEO)	\$36
Total Encumbrance for Community Services	\$36
Planning & Development	
District Plans - Glendale Area*	\$118
Region Official Plan	\$279
Amendment to Update the Aggregate Resources Policy *	\$25
Municipal Comprehensive Review *	\$62
Environmental Planning Reviews	\$54
Highly Vulnerable Aquifer Reviews	\$25
Agricultural Grant	\$30

Planning & Development (continued)		
Waterfront Investment Program		
Fort Erie - Bay Beach Master Plan *	\$638	
Niagara Falls - Millennium Rec Trail	\$400	
Town of Lincoln - Museum and Cultural Centre	\$250	
		\$1,288
Total Encumbrance for Planning and Development		\$1,881
Public Health		
EMS System Redesign		\$892
IDS Linkage		\$146
Parent-Talk-Line Furniture and Equipment		\$60
NFP Study - McMaster University		\$37
Flu Prevention Ads		\$11
MOH Recruitment Initiative		\$18
Early Development Instrument		\$58
Healthy Kids Community Challenge		\$36
Review and Analysis of Public Health Job Descriptions		\$35
Review and Analysis of Internal Policies		\$25
Total Encumbrance for Public Health		\$1,318
Economic Development		
South Western Integrated Fiber Technology (SWIFT)*		\$200
Niagara District Airport		\$50
Strategic Plan		\$35
Total Encumbrance for Economic Development		\$285
Niagara Regional Housing		
NRH Board Governance Process*		\$17
Integrated Housing Solution Software *		\$70
Update Boardroom and Waiting Room seating per requirements		\$14
Designated Substance Survey		\$270
Total Encumbrance for Niagara Regional Housing		\$371
Public Works - Transportation		
Niagara Specialized Transit Study		\$150
Mill and Pave Roads		\$32
Emerald Ash Bore*		\$288
Traffic Data Collection		\$87
Annual Pavement Management System		\$13
Transportation Engineering Standard Specifications		\$15
Crack Sealing		\$150
Total Encumbrance for Public Works - Levy		\$735
Public Works - Waste Management		
Long-Term Waste Management Strategic Plan*		\$350
Asset Inventory & Condition Assessment*		\$153
Green Bin Campaign		\$41
Fairness Advisor for MRF Opportunity Review		\$27
MRF Opportunity Review		\$345
Optimize Environmental Monitoring Program		\$16
Total Encumbrance for Public Works - Waste Management		\$932
Public Works - Water/Wastewater		
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*		\$3,270
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*		\$2,448
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*		\$1,941
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*		\$2,000
Total Encumbrance for Public Works - Water/Wastewater		\$9,659
TOTAL 2018 ENCUMBRANCE		\$19,494

* Encumbrance balance carried over from 2017

	Year End Funding Surplus (Deficit) before transfers back to reserves & encumbrances (in 000's)	Year End Funding Surplus Transferred back to Reserve * (in 000's)	Encumbrance ** (in 000's)	Adjusted Year End Funding Surplus (Deficit) (in 000's)	Year End Deficit / (Surplus) Report Recommendations
LEVY SUPPORTED DEPARTMENTS					
Regional Departments					
Corporate Administration	\$492	\$0	-\$135	\$357	\$0
Corporate Services	\$302	\$0	-\$48	\$254	\$0
Enterprise Resource Management Services	\$591	\$0	-\$581	\$10	\$0
Community Services	\$1,778	\$0	-\$36	\$1,742	\$0
Economic Development	\$285	\$0	-\$285	\$0	\$0
Public Works - Transportation	\$1,956	-\$246	-\$735	\$975	\$0
Governance	\$413	\$0	\$0	\$413	\$0
Planning & Development	\$2,689	-\$250	-\$1,881	\$558	\$0
Public Health	\$1,158	-\$26	-\$1,318	-\$186	\$0
Sub-Total - Regional Departments	\$9,664	-\$522	-\$5,019	\$4,123	\$0
General Government					
General Government	-\$2,487	\$0	-\$3,363	-\$5,850	\$1,727
Subtotal - General Government	-\$2,487	\$0	-\$3,363	-\$5,850	\$1,727
Total Levy Supported Departments	\$7,177	-\$522	-\$8,382	-\$1,727	\$1,727
Agencies, Boards & Commissions					
Court Services	\$396	\$0	\$0	\$396	-\$396
Niagara Regional Housing	\$3,006	\$0	-\$371	\$2,635	-\$2,635
Niagara Regional Police	\$528	\$0	\$0	\$528	-\$528
Niagara Peninsula Conservation Authority	-\$4	\$0	\$0	-\$4	\$0
Subtotal Agencies, Boards & Commission	\$3,926	\$0	-\$371	\$3,555	-\$3,559
Total Levy Supported Programs	\$11,103	-\$522	-\$8,753	\$1,828	-\$1,832
RATE SUPPORTED DEPARTMENTS					
Public Works - Water	\$2,449	\$0	\$0	\$2,449	-\$2,449
Public Works - Wastewater	\$9,289	\$0	-\$9,659	-\$370	\$370
Public Works - Waste Management	\$2,483	\$0	-\$932	\$1,551	-\$1,551
Total Rate Supported Departments	\$14,221	\$0	-\$10,591	\$3,630	-\$3,630

* Unspent budgeted reserve transfers are returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy

** Encumbrances are transferred to 2019 operating budget in accordance with the Budget Control By-law

	2018	2017	2016	2015	2014
	Adjusted Year End Funding Surplus (Deficit) (in 000's) *				
LEVY SUPPORTED DEPARTMENTS					
Regional Departments					
Corporate Administration	\$357	\$365	\$127	\$74	\$19
Corporate Services	\$254	-\$118	\$0	\$0	\$0
Enterprise Resource Management Services	\$10	-\$10	\$0	\$0	\$0
Community Services	\$1,742	\$3,700	-\$951	\$258	\$658
Economic Development	\$0	\$226	\$216	\$51	\$295
Public Works - Transportation	\$975	\$1,913	\$2,332	-\$3,887	\$1,049
Governance	\$413	\$120	-\$190	\$291	-\$216
Planning & Development	\$558	\$518	-\$66	-\$308	\$162
Public Health	-\$186	\$1,825	\$345	\$1,873	\$503
Sub-Total - Regional Departments	\$4,123	\$8,539	\$1,813	-\$1,648	\$2,470
General Government					
General Government	-\$5,850	-\$6,113	\$192	\$3,972	-\$3,649
Subtotal - General Government	-\$5,850	-\$6,113	\$192	\$3,972	-\$3,649
Total Levy Supported Departments	-\$1,727	\$2,426	\$2,005	\$2,324	-\$1,179
Agencies, Boards & Commissions					
Court Services	\$396	-\$344	-\$249	-\$226	-\$407
Niagara Regional Housing	\$2,635	\$1,908	\$624	\$717	\$686
Niagara Regional Police	\$528	-\$7,641	-\$2,781	\$629	\$1,134
Niagara Peninsula Conservation Authority	-\$4	-\$3	\$0	-\$51	\$0
Subtotal Agencies, Boards & Commissions	\$3,555	-\$6,080	-\$2,406	\$1,069	\$1,413
Total Levy Supported	\$1,828	-\$3,654	-\$401	\$3,393	\$234
RATE SUPPORTED DEPARTMENTS					
Public Works - Water	\$2,449	\$1,432	\$1,361	-\$56	-\$154
Public Works - Wastewater	-\$370	-\$1,343	\$588	\$593	\$907
Public Works - Waste Management	\$1,551	\$5,682	\$4,337	\$4,552	\$3,580
Total Rate Supported Departments	\$3,630	\$5,771	\$6,286	\$5,089	\$4,333

* Includes unspent budgeted reserve transfers returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy and year-end encumbrances.

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Introduction

On behalf of Niagara Region, we are pleased to provide you with the 2018 annual financial update.

Niagara is a culturally rich and historically significant region that offers its residents a mix of urban and rural living within 12 area municipalities. The Region boasts a diverse economy that includes manufacturing, tourism, agriculture and emerging sectors such as new media, green technology and bioscience.

Regional government operations are overseen by Niagara Regional Council which is composed of 32 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in November 2018 and will serve a four-year term to November 14, 2022.

As of December 31, 2018 Niagara Region has a year end funding surplus of \$1.8 million related to the levy programs, \$2.1 million related to Water and Wastewater programs, and a \$1.5 million surplus related to the Waste Management Program.

Affordability and sustainability are two key elements of Niagara Region's budget strategy. Achieving a balance between providing the programs and services residents have come to rely upon, ensuring they can afford to pay for them and ensuring that we have money to fund future infrastructure and program needs is critical. We would appreciate your feedback at www.niagararegion.ca.

We hope you will find the information provided in this report of interest and welcome any suggestions for its improvement going forward.



Helen Chamberlain, Director of Financial Management & Planning, Deputy Treasurer

Certain assumptions and estimates are required when forecasting results. The assumptions and estimates made have been done so with information available at the time of writing this financial update. The following is an unaudited report which has been prepared and reviewed by the Financial Management & Planning teams in Enterprise Resource Management Services.

Consolidated Operating Funding Surplus/(Deficit) Review (in thousands of dollars)

Water & Wastewater

Water and Wastewater Services has a net surplus of \$2,079. The water division has a surplus of \$2,449 and the wastewater division has a deficit \$370. The surpluses are mainly due to lower than budgeted utility costs, lower than expected spending in consulting and higher than anticipated water sales. The surpluses are partially offset by higher than budgeted compensation and equipment repair costs as well as operational and supply costs.

It is recommended that \$100 of the water year end surplus be transferred to the Water Stabilization Reserve and \$2,349 be transferred to the Water Capital Reserve. It is recommended that the \$370 deficit for wastewater be transferred from the Wastewater Stabilization Reserve.

Surplus / (Deficit) Including Indirect Allocations	
Total Surplus/(Deficit)	\$2,079
% of total budget	2.54%
% of rate revenue	1.87%

Waste Management

Waste Management Services has year end surplus of \$1,551 which is primarily due to credits received from Emterra for liquidated damages and fuel costs and increased funding for the Blue Box Program. As well as unanticipated funding from the Continuous Improvement Fund for the Phase 3 of the Material Recovery Facility (MRF) review.

It is recommended that \$1,013 of the year end surplus for waste management be transferred to the Waste Management Stabilization Reserve and \$538 be transferred to the Waste Management Landfill Liability Reserve per the Waste Management Reserve Strategy outlined in CSD 70-2017.

Surplus/ (Deficit) Including Indirect Allocations	
Total Surplus/(Deficit)	\$1,551
% of total budget	3.13%
% of rate revenue	4.48%

Levy

Regional Departments and General Government has a year end deficit of \$1,728 mainly driven by \$8,809 in development charge (DC) exemptions as a result of the adopted Development Charge by-law, as well as, increased WSIB costs in EMS division. This is offset by savings in compensation due to corporate wide vacancies, lower than budgeted consulting costs, a retroactive reconciliation payment from the Province (related to the Social Assistance Management System (SAMS)) and an increase in unbudgeted supplemental taxes collected from new development omitted by MPAC in current and/or prior two years.

A surplus in Agencies & Boards of \$3,556 primarily from NRH due to lower than budgeted subsidy payments to providers, higher than budgeted rental revenues for NRH owned units, and a recognition of unbudgeted provincial funding. Court Services has also seen an increase in collection enforcement activity and larger fine payments received. NRPS mainly driven from seconded assignments and sale of assets.

Surplus/ (Deficit) Including Indirect Allocations	
Regional Departments and General Government	\$(1,728)
Niagara Regional Police Service	\$528
Court Services	\$396
Niagara Regional Housing	\$2,635
Niagara Peninsula Conservation Authority	\$(4)
Total Surplus/(Deficit)	\$1,827
% of total budget	0.26%
% of levy revenue	0.51%

Summary of Consolidated Operating Surplus/(Deficit) (in thousands of dollars)

	Year to Date Adjusted Budget (After Indirect Allocations)	Year to Date Actual (After Indirect Allocations)	Year to Date Adjusted Budget vs. Actual Variance
LEVY SUPPORTED DEPARTMENTS			
Regional Departments			
Corporate Administration	\$5,026	\$4,669	\$357
Corporate Services	\$2,087	\$1,833	\$254
Enterprise Resource Management Services	\$10	\$0	\$10
Community Services	\$43,966	\$42,224	\$1,742
Public Works - Transportation	\$60,403	\$59,427	\$975
Governance	\$2,666	\$2,253	\$413
Planning & Development	\$5,677	\$5,120	\$558
Public Health	\$39,933	\$40,119	-\$186
Sub-Total - Regional Departments	\$159,767	\$155,645	\$4,123
General Government	-\$354,628	-\$348,778	-\$5,850
Subtotal - General Government	-\$354,628	-\$348,778	-\$5,850
Total Levy Supported Departments	-\$194,861	-\$193,133	-\$1,728
Agencies, Boards & Commissions			
Court Services	-\$544	-\$941	\$396
Niagara Regional Housing	\$34,028	\$31,393	\$2,635
Niagara Regional Police	\$154,396	\$153,868	\$528
Niagara Peninsula Conservation Authority	\$6,981	\$6,985	-\$4
Subtotal Agencies, Boards & Commissions	\$194,861	\$191,305	\$3,556
Total Levy Supported Programs	\$0	-\$1,828	\$1,828
RATE SUPPORTED DEPARTMENTS			
Public Works - Water	\$0	-\$2,449	\$2,449
Public Works - Wastewater	\$0	\$370	-\$370
Public Works - Waste Management	\$0	-\$1,551	\$1,551
Total Rate Supported Departments	\$0	-\$3,630	\$3,630
TOTAL	\$0	-\$5,458	\$5,458

Water & Wastewater Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$21,843	\$22,215	-\$372	-1.7%
Administrative	\$2,983	\$1,967	\$1,017	34.1%
Operational & Supply	\$12,441	\$12,680	-\$239	-1.9%
Occupancy & Infrastructure	\$17,484	\$16,059	\$1,424	8.1%
Equipment, Vehicles, Technology	\$4,904	\$6,165	-\$1,261	-25.7%
Community Assistance	\$0	\$0	\$0	0.0%
Partnership, Rebate, Exemption	\$16,665	\$2,450	\$14,215	85.3%
Financial Expenditures	\$0	\$9	-\$9	0.0%
Total Expenses	\$76,321	\$61,545	\$14,776	19.4%
Taxation	-\$111,192	-\$112,013	\$821	0.7%
By-Law Charges & Sales	-\$1,089	-\$1,260	\$172	15.8%
Other Revenue	-\$5,583	-\$1,275	-\$4,308	-77.2%
Total Revenues	-\$117,864	-\$114,549	-\$3,315	-2.8%
Intercompany Charges	\$1,812	\$1,754	\$58	-3.2%
Total Intercompany Charges	\$1,812	\$1,754	\$58	-3.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$39,731	-\$51,250	\$11,519	29.0%
Transfers From Funds	-\$11,521	-\$3,863	-\$7,658	-66.5%
Transfers To Funds	\$38,018	\$40,019	-\$2,001	5.3%
Total Transfers	\$26,497	\$36,156	-\$9,659	-36.5%
Net Expenditure (Revenue) Before Indirect Allocations	-\$13,235	-\$15,095	\$1,860	14.1%
Indirect Allocations & Debt	\$13,235	\$13,015	\$219	1.7%
Total Indirect Allocations & Debt	\$13,235	\$13,015	\$219	1.7%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$2,079	\$2,079	N/A

Water & Wastewater - Continued

Variance Analysis (in thousands of dollars)

Water & Wastewater services concluded 2018 with a \$2,079 year end favourable variance comprised of a favourable \$2,449 water variance and an unfavourable \$370 wastewater variance. The following factors have contributed to this surplus.

Compensation – The overall \$372 year end unfavourable variance is due to unbudgeted temporary staff positions to assist with managing workloads in both the Water and Wastewater divisions, hiring for certain leadership positions in excess of budget due to challenges in recruiting for those positions, as well as an unfavourable variance of overtime/lieu payouts/standby pay in the amount of \$162.

Administration - The favourable year end variance of \$1,017 is mainly due to lack of staff capacity to manage consulting engagements of \$722, and unspent budgeted funds for energy efficiency work of \$393.

Operational & Supply - The unfavourable year end variance of \$239 is primarily due to higher than budgeted biosolids costs of \$377 due to increased sludge haulage from the Niagara Falls Wastewater Treatment Plant as a result of out of service digesters. Also contributing to the unfavourable variance were higher than anticipated lab fees of \$72 and uniform and protective clothing costs of \$60. These unfavourable variances were partially offset by lower than anticipated chemical costs of \$242.

Occupancy & Infrastructure - The favourable year end variance of \$1,424 is largely due to a lower than anticipated electricity costs of \$1,994, natural gas costs of \$204 and water costs of \$64. This is partially offset by unfavourable variances in R&M grounds of \$406, R&M buildings of \$306 and property taxes of \$193 due to a property reassessment.

Equipment, Vehicles, Technology - The unfavourable year end variance of \$1,261 is primarily due to higher than anticipated equipment repair costs of \$1,069 due to aging infrastructure as well as higher than budgeted computer software license and support costs of \$155.

Partnership, Rebate, Exemption - The favourable year end variance of \$14,215 is due to Combined Sewer Overflow (CSO) funds committed to local area municipalities but not yet paid. A total of \$14,210 will be encumbered into the 2019 budget. This favourable variance is offset through unfavourable variances in unrecognized development charge revenue and reserve transfers further discussed below

Taxation - The favourable year-to-date variance of \$821 is due to increased water sales because of a warmer and drier summer

By-Law Charges & Sales Costs - The favourable year end variance of \$172 is due to increased hauled sewage revenue of \$113 and an increase to sewer surcharge revenue of \$68.

Other Revenue - The unfavourable year end variance of \$4,308 is mainly driven by the timing of development charge revenue to fund the CSO program of \$4,553 and partially offset by a prior period adjustment of previously deferred water tower telecom rental revenue of \$87.

Transfers - The unfavourable year end variance of \$9,659 is due to CSO funds committed to local municipalities but not yet paid which will be encumbered into the 2019 wastewater budget.

Indirect Allocations – The favourable year end variance of \$219 is due to favourable variances in other areas of the organization that budget to recover their costs through allocations to regional business units.

Community Impacts & Achievements

- The Water and Wastewater Operations Divisions treated 58.5 billion liters of water in 2018 through six water treatment plants and 316 km of water mains, as well as 75.5 billion liters of wastewater through eleven plants and one biosolids storage facility,

Water & Wastewater - Continued

with collection through 123 pump stations and 283 km of force mains and gravity sewers.

- The divisions provided input into water and wastewater approvals and master plans, design and construction, laboratory services, utility locates, source water protection, biosolids management, and environmental monitoring and enforcement.
- The Water / Wastewater senior leadership team is complete with a full time permanent Director and a full complement of 4 full time permanent Associate Directors.
- Implementation of a new 3-person pilot schedule in area 1 Wastewater to facilitate cross-training and succession planning.
- Responsibility for Children's Water Festival was successfully transferred from NPCA to the Water division. This event was attended by a total of 3,485 students along with approximately 611 teachers and parents over four days in May.
- A new water wagon has been built to enhance the existing water wagon program.
- Construction is now under way for the Rosehill Water Treatment Plant Upgrade.
- The project for the new South Niagara Falls Wastewater Treatment Plant is now underway with the Environmental Assessment soon to commence.
- A major rain event after the ice storm in April 2018 caused flooding and increased stress on the local sewer network and pump station in Dain City. As a result, issues in the pumping capacity in Dain City were identified and there were increased R&M costs in 2018.
- A force main break underneath the NOTL lagoon due to aging infrastructure and the delay of new NOTL Wastewater Treatment Plant caused odor issues and increased maintenance costs for overland pipe in the Fall.

Waste Management Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$3,575	\$3,288	\$288	8.0%
Administrative	\$1,735	\$721	\$1,014	58.5%
Operational & Supply	\$39,760	\$37,772	\$1,988	5.0%
Occupancy & Infrastructure	\$1,492	\$1,455	\$37	2.5%
Equipment, Vehicles, Technology	\$1,088	\$1,213	-\$126	-11.6%
Partnership, Rebate, Exemption	\$173	\$167	\$6	3.7%
Financial Expenditures	\$0	-\$28	\$28	0.0%
Total Expenses	\$47,823	\$44,587	\$3,237	6.8%
Taxation	-\$34,602	-\$34,602	\$0	0.0%
By-Law Charges & Sales	-\$14,837	-\$13,744	-\$1,094	-7.4%
Other Revenue	-\$4,615	-\$4,924	\$310	6.7%
Total Revenues	-\$54,054	-\$53,270	-\$784	-1.5%
Intercompany Charges	\$136	\$146	-\$10	7.6%
Total Intercompany Charges	\$136	\$146	-\$10	7.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$6,095	-\$8,538	\$2,442	40.1%
Transfers From Funds	-\$522	-\$522	\$0	0.0%
Transfers To Funds	\$4,136	\$5,067	-\$931	-22.5%
Total Transfers	\$3,614	\$4,545	-\$931	-25.8%
Net Expenditure (Revenue) Before Indirect Allocations	-\$2,482	-\$3,993	\$1,511	60.9%
Indirect Allocations & Debt	\$2,482	\$2,442	\$40	1.6%
Total Indirect Allocations & Debt	\$2,482	\$2,442	\$40	1.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$1,551	\$1,551	N/A

Waste Management Services - Continued

Variance Analysis (in thousands of dollars)

Waste Management Services operated at a surplus after indirect allocations of \$1,551. The following factors contributed to this surplus:

Compensation – The favourable variance of \$288 is due to salary gapping and position vacancy management.

Administration – The favourable variance of \$1,014 is primarily due to: timing of \$745 of consulting related to the Long-Term Strategic Plan (LTSP) Study, the Asset Inventory & Condition Assessment (AICA), and the Material Recovery Facility (MRF) Opportunity Review – Phase 4. Advertising and printing costs were also \$198 lower than budgeted as the Region was able to repurpose existing communication pieces and use Region services, as well as reprioritizing planned promotion and education campaigns (e.g. Anti-litter and Green Bin campaigns) to 2019. \$931 for the LTSP Study, AICA, and the MRF Study, as well as promotional materials for the Green Bin campaign, was committed and is included in the 2018 encumbrance reported in Transfers to Funds.

Operational & Supply – The favourable variance of \$1,988 is primarily due to lower than anticipated commodity prices for the purchase of recyclable materials under contracts with Waterloo, Haldimand and commercial businesses (\$1,217) which are offset by related decreases to recycling processing revenues. The other contributors to the surplus are liquidated damages issued to Emterra Environmental to date for breaches of contractual performance standards (\$581) and a credit received from Emterra in 2018 for the pre-payment of fuel costs in 2017 (\$225).

Equipment, Vehicles, Technology – The unfavourable variance of \$126 is due to higher than anticipated equipment repairs required at the various sites.

By-Law Charges & Sales Costs – The unfavourable variance of \$1,094 is primarily due to: lower than anticipated market revenues received from the sale of fibres (i.e. unfavourable variance for boxboard of \$1,484, newsprint of \$397 and cardboard of \$301), offset by increases in revenue from other recyclables (e.g. PET plastic \$392, aluminum \$113 and steel \$130); increased garbage tag sales of \$73; and tipping fee revenues of \$64 from the additional landfill tonnages received at the landfill sites.

Other Revenue – The favourable variance of \$310 are primarily due to: increased Resource Productivity and Recovery Authority (RPRA) funding for Niagara Region's Blue Box program of \$108 for the year, additional funding of \$48 from industry stewardship funding for various programs, and Continuous Improvement Fund (CIF) funding of \$130 for the MRF Opportunity Review – Phase 3.

Transfer to Funds – The unfavourable variance of \$931 relates to the 2018 encumbrance.

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities, including landfill sites, HHW depots and the Recycling Centre (a net revenue generator). WMS is also responsible for the delivery of curbside waste, recycling and organics collection and diversion programs, the management of long-term organics processing and disposal contracts, the operations and maintenance contracts at open and closed landfill sites, the recycling processing contract, policy development, capital program delivery and supporting outreach and communications programs.

- Negotiations with Emterra Environmental to ensure performance and adherence to the terms and conditions of Contract 2009-RFP-44, which include but are not limited to removing work from their Contract. The tender for Waste Collection Services for the Lincoln and West Lincoln area was awarded to Canadian Waste Management Inc., with a start date of January 2, 2019.
- Completion of targeted and broad-based consultation and engagement for the proposed service level collection options, which are being considered for implementation in the next collection contract.

Levy Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$379,591	\$376,078	\$3,513	0.9%
Administrative	\$29,960	\$29,466	\$494	1.6%
Operational & Supply	\$33,201	\$34,764	-\$1,563	-4.7%
Occupancy & Infrastructure	\$26,861	\$26,806	\$55	0.2%
Equipment, Vehicles, Technology	\$14,134	\$15,389	-\$1,255	-8.9%
Community Assistance	\$206,527	\$195,874	\$10,654	5.2%
Partnership, Rebate, Exemption	\$25,989	\$27,788	-\$1,800	-6.9%
Financial Expenditures	\$57,571	\$47,255	\$10,315	17.9%
Total Expenses	\$773,834	\$753,421	\$20,414	2.6%
Taxation	-\$359,806	-\$363,304	\$3,499	1.0%
Federal & Provincial Grants	-\$324,357	-\$318,380	-\$5,978	-1.8%
By-Law Charges & Sales	-\$16,152	-\$16,731	\$579	3.6%
Other Revenue	-\$62,412	-\$69,317	\$6,905	11.1%
Total Revenues	-\$762,727	-\$767,732	\$5,005	0.7%
Intercompany Charges	-\$1,947	-\$1,900	-\$48	-2.5%
Total Intercompany Charges	-\$1,947	-\$1,900	-\$48	-2.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$9,160	-\$16,211	\$25,371	277.0%
Transfers From Funds	-\$22,657	-\$23,363	\$706	3.1%
Transfers To Funds	\$29,344	\$53,308	-\$23,965	-81.7%
Expense Allocations To Capital	-\$130	-\$106	-\$24	-18.8%
Total Transfers	\$6,557	\$29,840	-\$23,283	-355.1%
Net Expenditure (Revenue) Before Indirect Allocations	\$15,716	\$13,629	\$2,087	13.3%
Indirect Allocations & Debt	-\$15,716	-\$15,457	-\$259	-1.6%
Total Indirect Allocations & Debt	-\$15,716	-\$15,457	-\$259	-1.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$1,828	\$1,828	N/A

Levy - Continued

Variance Analysis (in thousands of dollars)

Levy is operating a year end surplus before indirect allocations of \$2,087. This is due to the following factors:

Compensation – The favourable year end variances of \$3,513 is mainly due to vacancies in departments throughout the Region and filling those vacancies at a rate lower than expected in addition to the timing of staff onboarding to the EMS System Redesign project (\$692). This is partially offset by higher than budgeted Workplace Safety Insurance Board (WSIB) costs in the Emergency Medical Services (EMS) division.

Operational & Supply – The unfavourable year end variance of \$1,563 is primarily due to higher than anticipated medical supplies (\$246) and medical care transportation expenditures (\$257) for long-term care in Community Services; increased maintenance costs in the Public Works Transportation division (\$570) primarily due to a one-time inventory adjustment to traffic signal equipment as a result of calculation error involving USD transactions, as well as increased services costs for Niagara Specialized Transit (NST) (\$618) and Niagara Regional Transit (NRT) (\$390) due to higher than anticipated ridership as well as an increase in the fourth quarter net revenue distribution payment to the local area municipalities within Court Services (\$396). These unbudgeted increases were partially offset by, unspent budget on hired equipment in the Public Works Transportation division (\$819), and the conclusion of the Health Kids Community Challenge (HKCC) a quarter early which resulted in reduced costs (\$325).

Equipment, Vehicles and Technology – The unfavourable year end variance of \$1,255 is primarily due to unbudgeted repairs and operating costs for equipment and vehicles as was partially reduced by decreased costs for information technology licenses of \$276.

Community Assistance – The favourable year end variance of \$10,654 is a result of the following; the stabilization of the Ontario Works (OW) caseload resulting in lower than budgeted fully funded benefit issuances (\$6,405); a decline in the rental vacancy rates in Niagara resulting in reduced Housing Stability Plan benefit issuances (\$235); lower than anticipated Niagara Emergency Energy Fund benefit issuances (\$442), lower than budgeted subsidy payments in NRH to non-profit, co-op and federal providers (\$1,286) and prior year subsidy adjustments (\$729). These favourable variances were partially offset by increased emergency shelter costs (\$462).

Partnership, Rebate, Exemption – The unfavourable year end variance of \$1,800 is driven by unfavourable variances resulting from mandatory and non-mandatory exemptions as per the adopted Development Charges By-law 2017-88 (\$8,809). This is partially offset by the following; favourable variances resulting from the timing of unspent grant funds including \$1,318 from the Waterfront Investment Program (WIP); \$4,957 related to Planning grants (Smarter Niagara Incentive Program (SNIP), Tax Increment Grant (TIG) and Public Realm Investment Program (PRIP)) and \$254 related to the Gateway Tax Increment Grants. Unspent WIP grants (\$1,318) and Planning grants (\$3,365) have been included in the 2018 encumbrances and reported as Transfer Between Funds.

Financial Expenditures – the favourable year end variance of \$10,315 is primarily due to \$10,307 in the debt charge placeholder (timing based on actual project spending). This has been transferred to the capital reserves through Transfer To Funds identified below and has been committed to the 2019 Capital Budget.

Taxation - The favourable year end variance of \$3,499 is a result of an increase in unbudgeted supplemental taxes collected from new development omitted by MPAC in current and/or prior two years.

Federal & Provincial Grants – The unfavourable year end variance of \$5,978 is primarily due to lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in SAEO and Childrens Services, as well as the recognition of \$1,372 in SAEO resulting from the reconciliation of SAMS reports back to 2014 which were previously not available from the Ministry. Offsetting amounts to the unfavourable variances include the following; one-time funding received from the MOHLTC to supporting rising WSIB costs in the EMS division (\$374), timing of Ministry-funded programs and related administration costs in NRH (\$946) and additional funding in

Levy - Continued

Seniors related to the higher than anticipated Operational & Supply expenditures (\$246 and \$257 mentioned above).

Other Revenue – The favourable year end variance of \$6,905 is primarily comprised of the following; investment income in excess of the budgeted amount (\$2,802) netted against allocation of interest rate reserves and deferred revenue (recorded through transfers to reserves of \$1,888), net proceeds of surplus properties and assets (\$2,665), secondment revenues (\$289); union billings for employees' time spent on union business (\$311); accommodation fees within the Region's Long-Term Care (LTC) Homes (\$375), increased enforcement in collection activity (\$597), recognition of provincial funding where NRH holds no further obligation (\$388) and higher than budgeted rental revenues for NRH-owned units (\$585).

Transfers To Funds - The unfavourable year end variance of \$23,965 is a result of the following; encumbrances for funds committed to in 2018 (\$8,753), debt charge placeholder (\$10,307) and capital financing (balloon payment) (\$1,228), NPCA differential reserve refund (\$1,284) and net proceeds of surplus properties (\$2,280) (\$441 transferred to Capital Levy Reserve as per the Procurement By-Law 02-2016 as well as \$1,839 transferred to the Burgoyne Bridge capital project per CSD 27-2017).

Governance Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$1,640	\$1,537	\$103	6.3%
Administrative	\$220	\$153	\$67	30.4%
Operational & Supply	\$0	\$0	\$0	N/A
Equipment, Vehicles, Technology	\$2	\$1	\$2	73.5%
Partnership, Rebate, Exemption	\$2	\$0	\$2	96.0%
Total Expenses	\$1,864	\$1,690	\$174	9.3%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$34	-\$37	\$3	8.3%
Total Revenues	-\$34	-\$37	\$3	8.3%
Intercompany Charges	\$1	\$1	\$0	0.5%
Total Intercompany Charges	\$1	\$1	\$0	0.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$1,831	\$1,654	\$177	9.7%
Transfers From Funds	\$0	\$0	\$0	N/A
Total Transfers	\$0	\$0	\$0	N/A
Net Expenditure (Revenue) Before Indirect Allocations	\$1,831	\$1,654	\$177	9.7%
Indirect Allocations & Debt	\$835	\$599	\$236	28.3%
Total Indirect Allocations & Debt	\$835	\$599	\$236	28.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$2,666	\$2,253	\$413	15.5%

Governance - Continued

Variance Analysis (in thousands of dollars)

Governance operated with a surplus before indirect allocations of \$177. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$103 is due to vacancies within the Chair's Office and lower than anticipated benefit costs.

Administration - The favourable variance of \$67 is due to lower than anticipated advertising and travel costs and a prior year adjustment to legal fees.

Community Impacts & Achievements

Governance consists of the Members of Council and the Office of the Regional Chair who provide the overall political leadership of the organization.

Project Updates/Accomplishments

- Implementation of Regional Council's 2015 to 2018 Business Plan to foster an environment for economic prosperity
- Go Transit Station Secondary Plans approved for Beamsville, Grimsby, Niagara Falls and St. Catharines
- Linking Niagara Transit Committee develops finalized work plan towards the consolidation of Niagara's transit system
- Foreign Trade Zone Storefront opens in Fort Erie
- Niagara Immigration Portal 'Your Home | Your Future | Niagara, Canada' was approved and launched.
- Fort Erie and St. Catharines Long-Term Care campus sites and bed ranges approved by Regional Council.
- \$148 Million announced by Provincial and Federal governments to support inter-municipal transit.

General Government Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$0	\$1	-\$1	0.0%
Administrative	\$6,194	\$8,734	-\$2,540	-41.0%
Occupancy & Infrastructure	\$55	\$89	-\$34	-62.5%
Partnership, Rebate, Exemption	\$13,278	\$16,959	-\$3,680	-27.7%
Financial Expenditures	\$55,095	\$44,493	\$10,602	19.2%
Total Expenses	\$74,623	\$70,276	\$4,347	5.8%
Taxation	-\$359,806	-\$363,304	\$3,499	1.0%
Federal & Provincial Grants	\$0	\$1	-\$1	0.0%
By-Law Charges & Sales	-\$55	-\$24	-\$31	-56.1%
Other Revenue	-\$14,044	-\$16,326	\$2,282	16.3%
Total Revenues	-\$373,904	-\$379,653	\$5,749	1.5%
Intercompany Charges	-\$108	-\$118	\$11	9.9%
Total Intercompany Charges	-\$108	-\$118	\$11	9.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$299,389	-\$309,496	\$10,107	-3.4%
Transfers From Funds	-\$12,935	-\$14,163	\$1,228	-9.5%
Transfers To Funds	\$20,079	\$37,264	-\$17,185	-85.6%
Total Transfers	\$7,144	\$23,101	-\$15,957	-223.4%
Net Expenditure (Revenue) Before Indirect Allocations	-\$292,245	-\$286,395	-\$5,850	-2.0%
Indirect Allocations & Debt	-\$62,383	-\$62,383	\$0	0.0%
Total Indirect Allocations & Debt	-\$62,383	-\$62,383	\$0	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$354,628	-\$348,778	-\$5,850	-1.6%

General Government - Continued

Variance Analysis (in thousands of dollars)

General Government is operating at a deficit before indirect allocations of \$5,850 due to the following factors:

Administration - The unfavourable variance of \$2,540 is primarily due to the estimated liability accrued for insured, uninsured and construction contract claims against the Region.

Partnership, Rebate, Exemption - The unfavourable variance of \$3,680 is mainly due to the unfavourable variance of \$8,809 in mandatory and non-mandatory exemptions as per the adopted Development Charges By-law 2017-88. This is offset by a favorable grants variance of \$5,212, of which \$4,957 is related to Planning grants (Smarter Niagara Incentive Program (SNIP), Tax Increment Grant (TIG) and Public Realm Investment Program (PRIP)) and \$254 related to the Gateway Tax Increment Grants. Of the \$5,212 grants variance, \$3,365 has been encumbered into 2019 to align with timing of anticipated payments. These encumbrances are included in the Transfers to Funds as identified below.

Financial Expenditures – The favourable variance of \$10,602 is primarily due to \$10,307 in the debt charge placeholder (due to timing of actual project spending), this amount has been transferred to capital reserves through Transfers to Funds as identified below and has been committed to the 2019 Capital Budget. In addition, a favourable variance of \$317 has been achieved mainly from foreign exchange gains.

Taxation - The favourable variance of \$3,499 is the result of additional other taxation revenue from MPAC supplementary and omitted taxes related to assessment growth (predominantly in the residential sector).

Other Revenue – The favourable variance of \$2,282 is related primarily to the sale of surplus properties. Net proceeds of the Hainer Street properties (\$1,839) were transferred to the Burgoyne Bridge capital project per CSD 27-2017. All other net proceeds (\$441) were transferred to the Capital Levy reserve per Procurement By-law 02-2016. Both of these transfers are included in the Transfers to Funds as identified below.

Transfers To/From Funds – The unfavourable variance of \$15,957 is due to grant encumbrances (\$3,365), debt charge placeholder (\$10,307) and capital financing (balloon payment) (\$1,228), and net proceeds of Surplus Property (\$2,280). This is partially offset by a favourable variance of \$1,228 due to capital financing (balloon payment) recorded on a gross basis and was transferred to capital reserves.

Community Impacts & Achievements

The General Government department consists of:

- Taxation revenue and costs associated with Property Assessment Services which are provided by the Municipal Property Assessment Corporation (MPAC).
- Investment income on investments held with different institutions (see investment report for further details).
- Economic Incentives and other support: The Region contributes funding to the Niagara Health System's cancer centre as well as grants related to development charges, the Youth Retention Program, the Smarter Niagara Incentive Program and Canada Summer Games.
- Capital Financing: The Region funds its capital programs through multiple financing sources such as capital levy reserve contributions and debt charges.
- Debentures successfully issued in July 2018 for \$65.7 million in the capital markets.

Corporate Administration Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$4,305	\$4,171	\$134	3.1%
Administrative	\$2,642	\$1,671	\$971	36.7%
Operational & Supply	\$2	\$44	-\$42	N/A
Occupancy & Infrastructure	\$0	-\$10	\$10	0.0%
Equipment, Vehicles, Technology	\$31	\$10	\$21	66.8%
Partnership, Rebate, Exemption	\$820	\$721	\$99	12.1%
Financial Expenditures	\$0	\$1	-\$1	0.0%
Total Expenses	\$7,799	\$6,608	\$1,192	15.3%
Federal & Provincial Grants	-\$100	-\$139	\$39	38.8%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	\$0	-\$209	\$209	0.0%
Total Revenues	-\$100	-\$348	\$248	247.8%
Intercompany Charges	\$8	\$10	-\$2	21.2%
Total Intercompany Charges	\$8	\$10	-\$2	21.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$7,708	\$6,270	\$1,438	18.7%
Transfers From Funds	-\$1,068	-\$1,068	\$0	0.0%
Transfers To Funds	\$20	\$441	-\$421	N/A
Total Transfers	-\$1,048	-\$627	-\$421	-40.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$6,660	\$5,643	\$1,017	15.3%
Indirect Allocations & Debt	-\$1,634	-\$974	-\$660	-40.4%
Total Indirect Allocations & Debt	-\$1,634	-\$974	-\$660	-40.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,026	\$4,669	\$357	7.1%

Corporate Administration - Continued

Variance Analysis (in thousands of dollars)

Corporate Administration operated at year-to-date surplus before indirect allocations of \$1,017. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$134 is due to staffing vacancies throughout the divisions of Corporate Administration. This surplus was decreased by the costs of back filling seconded employees in both Internal Control & Organizational Performance and Strategic Communications and Public Affairs.

Administration - The favourable variance of \$971 is due to timing of consulting expenditures, repurposing of consulting dollars, and some planned projects not proceeding. Of this unspent budget, \$221 of expenditures have been committed to and are included in the 2018 encumbrances reported as Transfer Between Funds. These commitments include: the communications master plan, the audit plan, governance review, and the economic strategy.

Partnership, Rebate, Exemption - The favourable variance of \$99 is due to timing of grant expenditures. \$200 has been committed to the South Western Integrated Fibre Network and is included in the 2018 encumbrances reported as Transfer Between Funds. This resulting unfavourable variance is offset by the favourable variance of consulting dollars.

Revenue - The favourable variance of \$248 is due to increased revenue applied to and secured by the Economic Development division and unexpected revenue from employee secondments in Internal Control & Organization Performance and Strategic Communications and Public Affairs.

Transfers Between Funds - The unfavourable variance of \$421 relates to the 2018 encumbrances.

Community Impacts & Achievements

Corporate Administration includes the Chief Administrative Officer's Office, Internal Control & Organizational Performance and Strategic Communications & Public Affairs whose main focus is the general management/support of the other Regional departments. Economic Development is also a part of Corporate Administration and supports the Niagara Region and business communities to compete successfully in Niagara, Ontario and on a global scale.

Strategic Communications and Public Affairs

Advanced corporate communications priorities and campaigns, including:

- Public engagement on Industrial and Commercial excess land policies
- Supporting the 2018 municipal election design and communications planning in partnership with Local Area Municipalities (LAMs)
- Internal and external communications related to Alternative Service Delivery in long-term Care and affordable housing
- Public engagement for "Point in Time Count" to ensure excellent homelessness data
- Communications Plans encouraging Green Bin and Waste Management activities
- Managing communications for inter-municipal transit and GO transit related project
- Provide communications support for transportation related infrastructure projects and including launch of new branding and web components
- Communications planning and support for the Region's EarlyON centres
- Provided support and advice regarding the engagement and roll out of the Region's updated development charges program
- Partnership with I.T. Division to host Region-wide Smart Cities Forum to craft Niagara community-informed submission to federal competition
- Coordination of Niagara-wide response, in partnership with LAMs, to Saint Lawrence Seaway Management Corporation Mandate Renewal by Federal Government
- Lead branding of, and key co-sponsor partners with I.T. Department in development, governance, and launch of new Intranet
- Providing key support and counsel for 2 major Economic Development projects: 100-minutes of promotional videos, 4 new websites, branding and print products
- Coordinated Ground-breaking/Grand Opening events; Niagara Falls Public Health office, Fort Erie FTZ Head Office, and Brock District Plan's International Plaza
- Supported Niagara EMS service transformation project and communications roll-out.

Corporate Administration - Continued

- Development of Government Relations priorities and collateral for 2018 AMO Conference Advocacy Meetings

Internal Control & Organizational Performance

- Completed nine audits from the 2018 Internal Audit Plan: Grants & Incentives Phase 1 & 2, IT General Controls, Waste Contract Audit, Payroll Phase 1 & 2, Controlled Medications Inventory, Procurement and Chippawa CSO Audit. ICOP has provided recommendations to assist staff to improve operations and their respective internal controls environments.
- Designed a risk-based 2019 Annual Audit Plan and received approval from Audit Committee to proceed with eight new audit projects.
- Completed the first phase of 'Shape Niagara' (a broad public engagement initiative to inform next Council's strategic plan). Highlights included five open house events, an online survey, face-to-face interactions with residents at 25+ community events, and a broad social media campaign. Currently approaching end of second phase which includes background study report for the new Council's strategic plan.
- Completed lean process reviews in 3 business areas: Children's Services (subsidy payments), Senior Services (HR staff transactions) and NRPS (attendance management). Currently managing projects in multiple business units to improve operations, identify efficiencies and/or reduce waste using Lean & Six Sigma.
- Acting as the project manager, ICOP made major progress with transitioning the Business Licensing & Enforcement process from NRPS back to Niagara Region during the past quarter. During Q4 2018, the project was operationalized and handed off to the Manager, Business Licensing with the ERMS dept.
- Executed a major corporate re-organization to create a Project Management Office (PMO) within ICOP in September. The goal of this initiative is to implement a best-in-class project management methodology for all capital projects corporate-wide. The PMO is tasked with improving project risk management while increasing consistency in PM methodology. In addition, the PMO team will be engaged to support other project managers across the organization on major Tier 1 projects (i.e. LTC re-development, EMS Hub etc.).

Economic Development

Project Updates/Accomplishments

- Five year Economic Development Strategy under development, based on previous work completed by the Global Investment Attraction Group.
- Meetings with 24 companies in the U.K. and the U.S., which were identified through a 'lead generation contract' as companies with verified interests in entering or expanding business in the North American marketplace.
- Meetings with 23 companies at the SIAL show in Paris as a member of the Ontario Food Cluster.
- Directly engaged five companies that have identified Niagara region as a destination for either the expansion or re-location of their business.
- Continued to support the Finance Department in public outreach regarding the Vacant Unit Rebate and Excess Land Property Tax Discounts.
- Participated in the internal Grant & Regional Development Charge Review.
- Niagara Gateway Centre, reports visitor numbers, as of December 12th at 47,000, which is above expectations. Receiving advertising revenue from 35+ tourism companies and organizations at the Centre.
- Invested in a Bell Fibe pilot program to showcase the agri-tourism sector in Niagara, Cork Screwed, which focused on Niagara's Wine Country. Bell has made a commitment to Season 2, potentially 10 episodes focused on Niagara wineries.
- Completed the Niagara Tourism Profile and Niagara Tourism Economic Impact study and updates to the Niagara Manufacturing Profile and Niagara Transportation and Logistics Profile.
- Niagara Foreign Trade Zone Strategic Plan completed by consultants E&Y.
- Foreign Trade Zone Coordinator participated in a trade mission to China with 10 Niagara based companies.

Enterprise Resource Mgmt Serv. Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$8,946	\$8,499	\$447	5.0%
Administrative	\$3,484	\$3,076	\$408	11.7%
Operational & Supply	\$30	\$25	\$5	16.6%
Occupancy & Infrastructure	\$0	\$1	-\$1	N/A
Equipment, Vehicles, Technology	\$8	\$23	-\$14	-169.5%
Financial Expenditures	\$0	-\$7	\$7	0.0%
Total Expenses	\$12,469	\$11,617	\$853	6.8%
Federal & Provincial Grants	-\$60	-\$55	-\$5	-8.6%
By-Law Charges & Sales	-\$10	-\$5	-\$5	-52.2%
Other Revenue	\$0	-\$25	\$25	N/A
Total Revenues	-\$70	-\$85	\$15	21.0%
Intercompany Charges	\$22	\$22	\$0	1.8%
Total Intercompany Charges	\$22	\$22	\$0	1.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$12,421	\$11,554	\$867	7.0%
Transfers From Funds	-\$619	-\$619	\$0	0.0%
Transfers To Funds	\$0	\$580	-\$580	0.0%
Total Transfers	-\$619	-\$39	-\$580	-93.7%
Net Expenditure (Revenue) Before Indirect Allocations	\$11,802	\$11,515	\$287	2.4%
Indirect Allocations & Debt	-\$11,792	-\$11,515	-\$277	-2.3%
Total Indirect Allocations & Debt	-\$11,792	-\$11,515	-\$277	-2.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$10	\$0	\$10	100.0%

Enterprise Resource Management Services - Continued

Variance Analysis (in thousands of dollars)

Enterprise Resource Management Services operated a surplus before indirect allocations of \$287 is due to the following factors:

Compensation - The favourable variance of \$447 is due to vacancies in Financial Management and Planning, Procurement and Strategic Acquisitions, and Legal Services.

Administration - The favourable variance of \$408 is due to timing of spending of consulting dollars, mainly related to the corporate sustainability review and asset management office which will be encumbered at year end, offset by higher than anticipated insured and uninsured claim payments.

Transfers Between Funds - The unfavourable variance of \$580 relates to the 2018 encumbrances.

Community Impacts & Achievements

Financial Management and Planning

- Niagara Region continues to maintain its “AA” credit rating with a stable outlook according to confirmation report released by credit rating agency Standard and Poor’s.
- 2017 Financial Statement audit completed with unmodified opinion and no management letter points.
- Niagara Region awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 2018 Budget and the Canadian Award for Financial Reporting Achievement for the 2017 Annual Report.
- Asset Management Plan governance strategy completed and approved by Council in January 2019
- Updated a number of financial policies that involve developer deposits, care and custody of securities, surplus/deficit, purchasing cards, and variance analysis and forecasting.
- Debt Risk Management Committee established for both Niagara Regional and local area municipality staff to review debt reporting and risk management.
- Public engagement completed for change in tax policy regarding proposed vacancy rebates and vacancy rebate changes subsequently approved by Council in January 2019.

Procurement and Strategic Acquisitions

- Continued implementation of transition to new external bidding platform (bidsandtenders.com) as Phase 1 of the Region’s goal of full electronic paperless bidding.
- Of the 175 competitive Bids facilitated by Procurement in 2018, 139 Bids totalling approximately \$88 Million were awarded, 22 Bids carried over into 2019, 14 Bids cancelled after issuance without award.
- Sold Regional surplus properties valued at \$2.6 Million in 2018 year.
- Updated Procurement By-law that includes clarification around eBidding and Negotiated RFP completed and approved by Council in January 2019.

Legal Services

- Risk Management division, in partnership with the Procurement and Strategic Acquisition team, launched a new tool to help project managers navigate insurance requirements for a range of procurement processes that will achieve efficiencies and ensure projects are protected by the optimal level and type of coverage to reduce corporate risk

Corporate Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$16,261	\$16,212	\$49	0.3%
Administrative	\$3,195	\$3,404	-\$208	-6.5%
Operational & Supply	\$315	\$280	\$36	11.4%
Occupancy & Infrastructure	\$6,804	\$6,941	-\$137	-2.0%
Equipment, Vehicles, Technology	\$2,341	\$2,489	-\$148	-6.3%
Partnership, Rebate, Exemption	\$5	\$3	\$2	39.0%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$28,922	\$29,328	-\$407	-1.4%
By-Law Charges & Sales	-\$240	-\$266	\$26	10.8%
Other Revenue	-\$540	-\$747	\$206	38.2%
Total Revenues	-\$780	-\$1,013	\$233	29.8%
Intercompany Charges	-\$132	-\$46	-\$85	-64.8%
Total Intercompany Charges	-\$132	-\$46	-\$85	-64.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$28,010	\$28,269	-\$259	-0.9%
Transfers From Funds	-\$659	-\$659	\$0	0.0%
Transfers To Funds	\$0	\$48	-\$48	0.0%
Total Transfers	-\$659	-\$610	-\$48	-7.3%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,351	\$27,659	-\$308	-1.1%
Indirect Allocations & Debt	-\$25,264	-\$25,826	\$562	2.2%
Total Indirect Allocations & Debt	-\$25,264	-\$25,826	\$562	2.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$2,087	\$1,833	\$254	12.2%

Corporate Services - Continued

Variance Analysis (in thousands of dollars)

Corporate Services operated at a deficit before indirect allocations of \$308 due to the following factors:

Compensation – The favourable variance of \$49 is due to vacancies in Human Resources, Clerks Administration, IT Solutions, and Construction, Energy and Facilities Management, and actual health and dental claims experienced in the year being less than budgeted. This is partially offset by an unfavourable variance in labour relations.

Administration - The unfavourable variance of \$208 is mainly due to higher than anticipated external legal expenses and consulting services, partially offset by savings on staff development expenses.

Occupancy & Infrastructure - The unfavourable variance of \$137 is due to higher than anticipated costs for janitorial service contracts relating to increased minimum wage and higher than anticipated expenditures related to fire and security, garage doors and grounds maintenance. This is partially offset by the delay in the opening of the new Niagara Falls Public Health facility and lower than budgeted electricity costs.

Equipment, Vehicles, Technology - The unfavourable variance of \$148 is due to higher than anticipated software and hardware support agreements related to an increase in Regional users as well as higher than anticipated generator costs at Port Colborne NRPS.

Revenues - The favourable variance of \$233 is due to unbudgeted proceeds from sale of IT equipment and higher than anticipated rental revenue.

Transfers - The unfavourable variance of \$48 is due to not fully utilizing a transfer from reserve for council changeover expenses. These funds are to be encumbered and used in 2019.

Community Impacts & Achievements

Corporate Records, Print & Mail Services

- The Office of the Regional Clerk successfully on boarded a new Regional Council consisting of 31 members and the Regional Chair. This included robust orientation sessions over a three day period which served to provide the new Council with a solid foundation in which to begin the 2018 – 2022 term of Council. With the move of our meeting and agenda management software to a cloud based server we were able to start the publishing of both html and pdf agenda packages which will eliminate the need for time consuming downloading of large pdf agenda packages for Council and Committees.
- Corporate Records undertook work with Information Technology Solutions, on a corporate solution for electronic records compliance and began revisions to the records retention schedule to bring it in line with provincial standards. Next steps will include validation with the Corporation's business units.

Human Resources

- The Region embarked on an extensive review of existing HRIS/Payroll software which supports significant human resources, timekeeping and pay complexity among non-union and 12 different collective agreements which both directly and indirectly process bi-weekly pay data for more than 4,700 individuals working at Niagara Region, Niagara Regional Police Services, and Niagara Regional Housing. The goal of the review is to improve risk / cost-control, analytical, reporting, and self-service functionality while creating efficiencies both in HR and across all business units while ensuring all staff are paid correctly and in a timely fashion.

Information Technology Solutions

- Ortho Imagery – Niagara Region facilitated a collaborative purchase with the local area municipalities of 10cm resolution colour aerial photography for the entire Niagara region. This imagery is used in various planning activities and made available publicly online through [Niagara Navigator](https://maps.niagararegion.ca/Navigator/) (<https://maps.niagararegion.ca/Navigator/>)
- Smart Cities Challenge Submission – Niagara's 13 Municipalities collectively submitted a proposal to the Federal Governments 2018 Smart Cities Challenge with activities leveraging data and connected technologies that would increase a sense of belonging in the community. The initiative included significant participation with many

Corporate Services - Continued

broader public sector and community partners. Details of the submission can be found at [Smart Cities Niagara](http://SmartCitiesNiagara.ca) (<http://SmartCitiesNiagara.ca>).

- Niagara Votes Website – Working collaboratively with the local area municipalities we launched [Niagara Votes](http://Niagaravotes.ca) (<http://Niagaravotes.ca>); a ‘one stop shop’ for all Municipal election resources. The website continues to evolve.
- Enhancements to the [Large Item Pickup Website](https://niagararegion.ca/waste/collection/items/largeitems/request-form.aspx) (<https://niagararegion.ca/waste/collection/items/largeitems/request-form.aspx>) – Provide citizens a better customer experience when booking their large item pickup online. Features business rules to assist citizens in booking items accurately and efficiently. Additionally, enhanced reporting enables Waste Management staff to mine analytics around items to assist with improvements and cost reductions in the future.
- Niagara Integrated Infrastructure Mapping System (NIIMS) – The GIS team worked in collaboration with Water/Wastewater staff to enhance Niagara Integrated Infrastructure Mapping System (NIIMS), a shared web mapping application showcasing both local and regional water, storm and sewer infrastructure. Included is the ability for network tracing and valve isolation as well as access to enhanced regional asset information for Niagara Region Water/Wastewater staff.
- Enhanced Online Council and Committee Agenda Experience – Agendas and relevant documents for all published meetings are now compatible with both desktop and mobile devices and no longer require citizens to download one large single document to view a specific item on the agenda. Each agenda item can be viewed as a single document.

Construction, Energy and Facilities Management

- Rapelje Lodge lighting retrofit project completed October 2018 which is projected to provide approximately 165,000 kWh annual savings in usage.
- Ground breaking and construction has commenced on the new Niagara Falls Public Health facility.
- Solar PV revenue approximately \$118,000 for 2018, compared to a projected budget of \$115,000.
- Council Chamber renovation to add additional seating completed on time and on budget.

Business Licensing

- The Region is in the process of transitioning the regulatory oversight of business licensing responsibilities from Niagara Regional Police back to Niagara Region on June 1, 2019.
- These responsibilities will involve the administration of license issuance and denial as well as inspection and enforcement of salvage/automobile wrecking operations, second-hand shops and dealers, tow truck and yard operations, taxi/transportation companies and adult entertainment establishments.
- In Q4 2018, the Manager of Business Licensing was hired in order to establish the business licensing operation for the Region.

Community Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$99,705	\$99,427	\$277	0.3%
Administrative	\$1,911	\$1,738	\$173	9.1%
Operational & Supply	\$8,296	\$9,095	-\$799	-9.6%
Occupancy & Infrastructure	\$3,805	\$3,761	\$44	1.2%
Equipment, Vehicles, Technology	\$821	\$1,773	-\$952	-115.9%
Community Assistance	\$172,744	\$165,063	\$7,680	4.4%
Financial Expenditures	\$0	\$4	-\$4	0.0%
Total Expenses	\$287,282	\$280,863	\$6,420	2.2%
Taxation	\$0	\$0	\$0	0.0%
Federal & Provincial Grants	-\$236,417	-\$230,805	-\$5,612	-2.4%
By-Law Charges & Sales	-\$2,903	-\$3,945	\$1,043	35.9%
Other Revenue	-\$22,520	-\$23,054	\$535	2.4%
Total Revenues	-\$261,840	-\$257,805	-\$4,034	-1.5%
Intercompany Charges	\$240	\$375	-\$136	56.7%
Total Intercompany Charges	\$240	\$375	-\$136	56.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$25,683	\$23,433	\$2,250	8.8%
Transfers From Funds	-\$3	-\$3	\$0	0.0%
Transfers To Funds	\$1,829	\$1,927	-\$98	-5.4%
Total Transfers	\$1,826	\$1,924	-\$98	-5.4%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,508	\$25,357	\$2,152	7.8%
Indirect Allocations & Debt	\$16,457	\$16,867	-\$410	-2.5%
Total Indirect Allocations & Debt	\$16,457	\$16,867	-\$410	-2.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$43,966	\$42,224	\$1,742	4.0%

Community Services - Continued

Variance Analysis (in thousands of dollars)

Community Services operated at a surplus before indirect allocations of \$779 (2.8 per cent of the net budget) comprised of a \$10 operating surplus in Childrens Services, \$243 in Senior Services, \$217 in Social Assistance & Employment Opportunities (SAEO), and \$300 in Homelessness & Community Engagement (HCE). Community Services also recognized a \$1,372 surplus in SAEO resulting from the reconciliation of SAMS reports back to 2014, for a total combined surplus of \$2,152. The following factors contribute to these surpluses:

Administration - The favourable year end variance of \$173 is primarily due to lower than budgeted office expenditures and professional services in HCE offset with higher than anticipated staff development expenditures for Seniors Services nursing staff.

Operational & Supply – The unfavourable year end variance of \$799 is primarily due to higher than anticipated medical supplies and transportation expenditures for high intensity needs residents in long-term care (LTC), which are substantially funded by the Ministry (95%).

Equipment, Vehicles, Technology – The unfavourable year end variance of \$952 is primarily due to higher than anticipated equipment repair and building maintenance costs at the LTC homes.

Community Assistance - The favourable year end variance of \$7,680 is primarily due to: the stabilization of the Ontario Works (OW) caseload resulting in lower than budgeted fully funded benefit issuances (\$6,405); a decline in rental vacancy rates in Niagara resulting in reduced Housing Stability Plan benefit issuances (\$235); lower than anticipated Niagara Emergency Energy Fund benefit issuances (\$442) offset by increased emergency shelter costs (\$462); lower than anticipated wage enhancement grant applications and year one expenditures for the community capital builds in Childrens Services offset by the increased fee subsidy gross costs (\$510).

Federal & Provincial Grants – The unfavourable year end variance of \$5,612 is primarily due to lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in SAEO and Childrens Services, as well as the recognition of \$1,372 in SAEO resulting from the reconciliation of SAMS reports back to 2014 which were previously not available from the Ministry. This is offset by additional funding in Seniors related to the higher than anticipated Operational & Supply expenditures.

By-Law Charges & Sales - The favourable year end variance of \$1,043 is primarily due to increased fee subsidy payments resulting in higher than estimated parent fees and fee subsidy gross costs included above in community assistance.

Other Revenue - The favourable year end variance of \$535 is primarily due to higher than anticipated union billings for employees' time spent on union business, and accommodation fees within LTC.

Community Impacts & Achievements

Children Services

- Continuing to provide child care fee subsidy without a waitlist.
- Provided additional funding to service providers to ensure child care per diems remain stable to support local efforts to increase licensed childcare spaces to reach Niagara's 2018 target of 124 new spaces.
- Six Community capital builds are progressing with 270 new spaces to be open by December 2020.

Community Services - Continued

Senior Services

- Standardized and optimized staffing patterns in LTC homes to support the efficiency in scheduling, consistency in practices and processes and flexibility of staff to work between homes. Increased Personal Support Worker and recreation hours through a Ministry mid-year base funding increase. These hours were aimed to support peak pressures associated with shift exchange and add extra assistance for residents with complex needs.
- A new interactive technology designed for residents with cognitive impairments was trialed at two LTC homes. The pilot was successful in calming agitated residents, eliciting a response from non-verbal residents and proved to be an activity residents wanted to return to repeatedly. This technology will be installed at all homes in 2019.
- Began implementation of a recently released wound care application that supports enhanced wound care practices primarily for newly admitted residents.
- In partnership with EMS, Seniors Community Programs staff were trained to use a screening tool to determine the need for 911 calls for clients who have experienced a fall. Data will be analyzed throughout 2019 in order to reduce 911 call volume, supporting the hospital system by reducing ER visits.

Homelessness and Community Engagement

- Operationalized an additional 70 units of emergency shelter for the winter season.
- Completed a Homelessness System Review and presented the final report and recommendations to homeless service agencies.
- Developed an after-hours response plan and protocol for when the shelter system is at capacity, to ensure all homeless persons are supported.
- Fully implemented the 40 community based supportive housing units for Home For Good and successfully executed arrangements with the Province for the construction of 23 new supportive housing units.
- Developed and recruited for a two year pilot project to undertake concurrent assessment of long stay shelter clients for mental health and addictions acuity.

Social Assistance and Employment Opportunities

- OW caseload showed signs of stabilizing with a year end caseload average of 10,080, less than the projected 2018 caseload of 10,813.
- Number of new job starts exceeded 2018 targets; 1,869 new job starts (2018 target - 1,350) with 791 unique local employers (2018 target – 650).
- Over 12,500 employment assessments completed with OW clients in the new technology system BENN; designed to match clients with jobs and training.

Public Health & Emergency Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$76,726	\$76,835	-\$109	-0.1%
Administrative	\$2,214	\$2,522	-\$308	-13.9%
Operational & Supply	\$5,140	\$4,717	\$423	8.2%
Occupancy & Infrastructure	\$712	\$645	\$67	9.3%
Equipment, Vehicles, Technology	\$2,476	\$2,529	-\$53	-2.2%
Community Assistance	\$0	\$2	-\$2	0.0%
Partnership, Rebate, Exemption	\$0	\$1	-\$1	0.0%
Financial Expenditures	\$0	\$1	-\$1	0.0%
Total Expenses	\$87,267	\$87,252	\$16	0.0%
Federal & Provincial Grants	-\$61,989	-\$62,473	\$483	0.8%
By-Law Charges & Sales	-\$270	-\$193	-\$76	-28.2%
Other Revenue	-\$204	-\$547	\$343	167.9%
Total Revenues	-\$62,463	-\$63,213	\$750	1.2%
Intercompany Charges	\$1,687	\$1,563	\$124	-7.4%
Total Intercompany Charges	\$1,687	\$1,563	\$124	-7.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$26,492	\$25,601	\$890	3.4%
Transfers From Funds	-\$2,207	-\$2,181	-\$26	-1.2%
Transfers To Funds	\$83	\$1,400	-\$1,317	N/A
Total Transfers	-\$2,124	-\$781	-\$1,343	-63.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$24,367	\$24,820	-\$452	-1.9%
Indirect Allocations & Debt	\$15,565	\$15,299	\$266	1.7%
Total Indirect Allocations & Debt	\$15,565	\$15,299	\$266	1.7%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$39,933	\$40,119	-\$186	-0.5%

Public Health & Emergency Services - Continued

Variance Analysis (in thousands of dollars)

Public Health & Emergency Services experienced a deficit before indirect allocations of \$452, due to the following factors:

Compensation – There is an unfavourable variance in Compensation of \$109 for the year. This variance is primarily a result of unfavourable variances of \$1,156 and \$699 relating to Workplace Safety Insurance Board (WSIB) and overtime costs, respectively, in the Emergency Medical Services (EMS) division. These costs are partially offset by \$926 in savings from delays in filling vacant positions within various Public Health programs and \$692 due to the timing of staff onboarding to the EMS System Redesign project.

Administrative - The unfavourable variance of \$308 is primarily due to increased consulting services costs relating to strategic health initiatives as well as unanticipated training, predominantly within the Public Health programs, including the Healthy Kids Community Challenge (HKCC) within Chronic Disease and Injury Prevention.

Operational & Supply - The favourable variance of \$423 is primarily due to the conclusion of the HKCC a quarter earlier than budgeted as well as the fact that nearly all HKCC costs were budgeted as Operational & Supply in nature, while the actual costs incurred have been Administrative in nature. A further savings was realized through the elimination of the public-facing clinic at the head office, reducing the volume of supplies needed. This favourable variance is offset in By-Law Charges & Sales due to lower sales of these supplies.

Federal & Provincial Grants – The favourable variance of \$483 is primarily a result of one-time in-year funding from the MOHLTC to support rising WSIB costs in the EMS division.

By-Law Charges & Sales – The unfavourable variance of \$76 is primarily a result of elimination of the public-facing clinic at the head office which operated in a retail manner. The unfavourable revenue variance is offset in Operational & Supply due to the corresponding lower purchase level of the underlying supplies.

Other Revenue - The favourable variance of \$343 is the result of proceeds from the sale of assets of \$146, secondment revenues of \$94, and wage reimbursements from union groups and other cost recoveries.

Transfers to Funds – The unfavourable variance of \$1,343 is mainly due to encumbrance requests for the EMS System Redesign project and other Public Health initiatives committed to before the end of 2018.

Community Impacts & Achievements

Mandatory and Related Programs

- The October 17, 2018 legalization of cannabis and revisions to the Smoke Free Ontario Act (SFOA), introducing adding both cannabis and electronic cigarettes into the regulatory framework, which has increased the burden on our community prevention, education, and enforcement resources without any increase to the related SFOA program funding
- Launch of the new vision screening program in association with community partners
- Reorganization of health inspections from 5 days a week to 7 days a week to improve customer service, and better ensure safety of inspected facilities
- Additional promotion of services in Environmental Health, including well/cistern water testing and health inspection results, to better enable healthy choices
- Infection prevention and control training for dental office staff to enable them to offer the safest dental services to their patients
- Reorienting nursing in schools to align with the recommended comprehensive school health model, to better support and prepare school children for healthy productive lives
- Working with over 20 community partners on overdose prevention and drug use to combat both the acute problem and root causes

Public Health & Emergency Services - Continued

Mental Health

- Implemented changes to our intake process to ensure our clients have access to the right service, at the right time, in the right place
- Engaged senior leadership from community organizations across Niagara to inform the strategic direction of NRMH
- Evaluation of outcomes for clients accessing Dialectical Behavioral Therapy showed positive results. Evaluation of Prolonged Exposure treatment for trauma continues
- Trained staff on evidence-based treatments and protocols including suicide intervention, treatment for trauma and geriatric assessment
- Collaboratively working across Public Health divisions to ensure messaging to our clients, staff and public is consistent and aligned with research

Emergency Services

- Call volumes increased in 2018 by 2.5% to a total of 63,457 incidents compared to 61,879 in 2017 - this compares to increases of between 5.8% and 8.9% over the past five years – this may be the result of the initiatives implemented in Q3 (validation in process)
- Increase in staffing hours in Q4 which utilized all planned staffing hours for the year
- Piloting 4 Mobile Integrated Health Teams (e.g. including an occupational therapist and 2 mental health nurses) to handle low acuity 911 calls and then connect residents to community-based care
- The Mobile Integrated Health Teams responded to 1,052 911 calls - this resulted in reduced transports to hospital of 5% for mental health calls (despite a 7% increase in call volume for this area), 2% for falls, and a 6% reduction for low acuity illnesses
- Community Paramedics served 176 clients in 2018, performing 2,123 visits, improving quality of life and decreasing need for repeat 911 calls
- Collaboration with Niagara Health to mitigate offload pressures continues, and is starting to see some positive results

Public Works Transportation Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$15,473	\$13,471	\$2,002	12.9%
Administrative	\$2,031	\$989	\$1,042	51.3%
Operational & Supply	\$16,142	\$16,823	-\$681	-4.2%
Occupancy & Infrastructure	\$871	\$533	\$339	38.9%
Equipment, Vehicles, Technology	\$2,025	\$2,514	-\$490	-24.2%
Partnership, Rebate, Exemption	\$2,432	\$2,229	\$202	8.3%
Financial Expenditures	\$0	\$252	-\$252	0.0%
Total Expenses	\$38,974	\$36,812	\$2,162	5.5%
Federal & Provincial Grants	-\$344	-\$333	-\$11	-3.2%
By-Law Charges & Sales	-\$3,859	-\$3,803	-\$57	-1.5%
Other Revenue	-\$2,252	-\$2,233	-\$19	-0.9%
Total Revenues	-\$6,455	-\$6,368	-\$87	-1.3%
Intercompany Charges	-\$2,048	-\$2,095	\$47	2.3%
Total Intercompany Charges	-\$2,048	-\$2,095	\$47	-2.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$30,471	\$28,349	\$2,122	7.0%
Transfers From Funds	-\$1,843	-\$1,597	-\$246	-13.4%
Transfers To Funds	\$0	\$735	-\$735	0.0%
Expense Allocations To Capital	-\$130	-\$106	-\$24	-18.8%
Total Transfers	-\$1,973	-\$968	-\$1,005	-50.9%
Net Expenditure (Revenue) Before Indirect Allocations	\$28,497	\$27,381	\$1,117	3.9%
Indirect Allocations & Debt	\$31,905	\$32,046	-\$141	-0.4%
Total Indirect Allocations & Debt	\$31,905	\$32,046	-\$141	-0.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$60,403	\$59,427	\$975	1.6%

Public Works Transportation - Continued

Variance Analysis (in thousands of dollars)

Public Works Levy operated at a surplus before indirect allocations of \$1,117. The following factors contributed to this surplus:

Compensation – The favourable variance of \$2,002 is primarily due to delays in filling vacant positions and decreased overtime costs.

Administration – The favourable variance of \$1,042 is primarily due to: decrease in consulting work related to timing difference in the rollout of Transit related studies (\$508); lower external legal expenses (\$81); decrease in data analysis services provided concentrated in Transportation Planning (\$174); reduced information & promotions costs of \$57; and reduced staff travel, training & other administrative expenses (\$222) due to vacant positions. Of this unspent budget, \$150 has been committed to future Niagara Specialized Transit (NST) consulting study and \$115 to traffic data collection program and other consulting assignments; these commitments are included in the 2018 encumbrances reported in Transfers to Funds below.

Operational & Supply – The unfavourable variance of \$681 is a result of: higher than budgeted costs for NST services (\$618) and Niagara Regional Transit (NRT) services (\$390) due to increased ridership; higher than anticipated usage of winter sand, winter salt and organic de-icing material totaling \$55 overall due to harsh winter conditions in early 2018; increased traffic signal and sign maintenance material costs of \$570 primarily due to one-time inventory adjustment to traffic signal equipment as a result of calculation error involving USD transactions; offset by lower than anticipated usage of hired equipment of \$819 and a decrease of \$133 in other program specific supplies and material. A total of \$288 of the unspent hired equipment budget has been committed to the Emerald Ash Borer tree removal project and \$182 to crack sealing & road repairs program; these commitments are included in the 2018 encumbrances reported in Transfers to Funds below.

Occupancy & Infrastructure – The favourable variance of \$339 is largely due to lower than expected electricity costs of \$417 related to the timing difference in the rollout of the Street Lighting program partially offset by increased repairs and maintenance and other infrastructure costs of \$78.

Equipment, Vehicles, Technology – The unfavourable variance of \$490 is due to higher than expected vehicle repairs of \$338 (including \$132 for NRT aging fleet repairs); higher fuel costs of \$99 from higher than anticipated usage due to winter conditions experienced; and increased other equipment costs of \$53.

Partnership, Rebate, Exemption – The favourable variance of \$202 is due to lower than anticipated Local Area Municipality (LAM) grants of \$246 associated with multi-use paths and drainage assessment funding for LAMs and \$34 in other grants, partially offset by \$78 increase related to economic development grant to the city of Welland for the GE Plant.

Financial Expenditures – The unfavourable variance of \$252 is primarily due to write-off of bad debts of \$220 related to accounts due from select LAMs for their share of costs on Transportation Master Plan project.

By-Law Charges & Sales Costs – The unfavourable variance of \$57 is due to lower than anticipated signal maintenance and signs revenues of \$534 and various by-law charges and other sales of \$36, partially offset by increased fare revenues of \$513 for NST and NRT services due to increased ridership.

Transfers to Funds – The unfavourable variance of \$1,005 relates primarily to 2018 Administration and Operational & Supply encumbrances of \$735, as outlined above, and lower than anticipated LAM grants of \$246 associated with multi-use paths and drainage assessment funding for LAMs.

Public Works Transportation - Continued

Community Impacts & Achievements

- The Regional Road Network consists of 1,814 lane kms of road. In 2018, the Region's Transportation Engineering and Operations divisions achieved the following:
 - Resurfaced or reconstructed 48 lane kms of roadways through annual Hot Mix Program-Phases I & II;
 - Applied 16,000 tonnes of salt on regional roads as part of our winter maintenance program;
 - Removed 1,334 trees through the Emerald Ash Borer tree removal program; and
 - Repaired or replaced 112 culverts.
- Martindale Road reconstruction project (Phase I) led by Transportation Services is complete with only minor restorations remaining. This project will be completed ahead of schedule. This reconstruction significantly increased the capacity of Martindale Road in the area of Erion Road, Hanover Drive & Corporate Park Drive. Construction staging for this project allowed for the Region to maintain two lanes of traffic, thus greatly reducing the impact of the construction on the motoring public.
- Dominion Road project led by Transportation Services represents first design-build project for the Region. This project brings together a technical design-build team led by the Region and has been achieving milestones at an expected pace. This unique partnership has allowed for a more seamless construction process to an extensive section of roadway that has previously appeared on CAA's "worst roads" campaign.
- Other achievements include:
 - Successful completion of the 2018 Hot Mix-Phases I and II contracts;
 - Successful tender award and completion of base asphalt paving of Rice Road reconstruction from Regional Road 20 to Port Robinson Road; and
 - Successful tender award and completion of base asphalt paving of the St. Catharines Downtown Conversion, which will complete the conversion of downtown streets to two-way traffic flow.
- Ongoing strategic projects out of the Transportation Master Plan (TMP) are underway such as the Casablanca Boulevard Environmental Assessment (EA), the St. Paul Street Bridge EA, the Thorold Stone Road Extension and Bridge Street EAs, that will help support efficient traffic, active transportation and GO Initiatives.
- The GO Hub Transit Station Study (GHTSS) was completed, which developed Secondary Plans in Grimsby, St. Catharines, Niagara Falls and Lincoln. Metrolinx completed the functional designs for Niagara GO stations (Grimsby, St. Catharines, and Niagara Falls) with active support from the Region and area municipalities.
- Since the unanimous approval of the Transit Memorandum of Understanding between Niagara Region, Niagara Falls, St. Catharines and Welland in December 2017, work is progressing rapidly towards implementation of recommendations in the Niagara Transit Service Delivery and Governance Strategy, 2017, including:
 - Three-year NRT Operating Agreement
 - Customer service and operational improvements to integrate the rider experience such as uniform transit customer service policies, universal support person pass, and common trip planning app.
- An implementation framework identifying the financial impacts on inter-municipal transit (IMT) was approved in 2018. This framework will continue through 2019, subject to budget approval, and supports a business case to inform transit governance options. Route mergers were initiated to leverage post-secondary u-pass funds to improve transit services.
- NST ridership exceeded 30,000 riders in 2018 due to considerable demand which necessitated increased service to stabilize and ensure consistent and reliable service levels for a vulnerable demographic.

Planning & Development Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$5,146	\$4,408	\$738	14.3%
Administrative	\$1,513	\$766	\$747	49.4%
Operational & Supply	\$18	\$17	\$1	6.0%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles, Technology	\$36	\$39	-\$3	-8.3%
Partnership, Rebate, Exemption	\$2,474	\$898	\$1,576	63.7%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$9,187	\$6,129	\$3,058	33.3%
Federal & Provincial Grants	\$0	-\$42	\$42	0.0%
By-Law Charges & Sales	-\$1,461	-\$1,427	-\$34	-2.3%
Other Revenue	-\$675	-\$279	-\$397	-58.7%
Total Revenues	-\$2,136	-\$1,747	-\$389	-18.2%
Intercompany Charges	-\$303	-\$309	\$6	2.0%
Total Intercompany Charges	-\$303	-\$309	\$6	2.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$6,748	\$4,072	\$2,675	39.6%
Transfers From Funds	-\$2,799	-\$2,549	-\$250	-8.9%
Transfers To Funds	\$0	\$1,882	-\$1,882	0.0%
Total Transfers	-\$2,799	-\$667	-\$2,132	-76.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$3,949	\$3,406	\$543	13.7%
Indirect Allocations & Debt	\$1,729	\$1,714	\$15	0.9%
Total Indirect Allocations & Debt	\$1,729	\$1,714	\$15	0.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,677	\$5,120	\$558	9.8%

Planning & Development - Continued

Variance Analysis (in thousands of dollars)

Planning and Development operated at a surplus before indirect allocations of \$543. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$738 is due to the timing of launching program changes approved within the 2018 budget related to delegation of work from the Niagara Peninsula Conservation Authority, the onboarding of temporary staff dedicated to the New Regional Official Plan (ROP) and managing vacancies. The ROP is partially funded by expenditure matching transfers from development charge revenue causing the ROP surplus to be offset by reduced transfers.

Administration - The favourable variance of \$747 is due to the timing of consulting expenditures involving the ROP. Of this unspent budget, \$563 of expenditures have been committed to and are included in the 2018 encumbrances reported as Transfer Between Funds. These include: municipal comprehensive review, aggregate resources, district plans, environmental planning reviews and the ROP.

Partnership, Rebate, Exemption - The favourable variance of \$1,576 is due to unspent grants from the Waterfront Investment Program (WIP). Of the unspent budget \$1,318 of expenditures have been committed to and are included in the 2018 encumbrances reported as Transfer Between Funds. An additional \$250 of unspent funds have been returned to reserves.

Revenue - The unfavourable variance of \$389 is due to a lower transfer of development charge revenue, which is matched to expenditures to partially fund the ROP.

Transfer Between Funds - The unfavourable variance of \$2,132 is due to \$1,881 in 2018 encumbrances and transfers to reserve of \$250 in unspent WIP Funds.

Community Impacts & Achievements

Planning & Development provides land use planning and development review including natural heritage, growth management policy and implementation services, capacity planning, water and wastewater master planning, development engineering, development agreements and growth infrastructure planning. The department also provides services related to Part 8 of the Ontario Building Code (private sewage systems) to nine of the twelve local area municipalities.

Project Updates/Accomplishments

The "Niagara 2041" growth strategy involves the following primary components:

- The Transportation Master Plan (TMP) and Water and Wastewater Master Servicing Plan (MSP), and the Municipal Comprehensive Review (MCR), which are complete.
- Initiated Regional Official Plan (ROP) attending all local councils and establishing frameworks, background studies and policy development.
- Supported full audit preparation for the grant and incentives review while continuing to deliver programs, future direction from Council will be required.

Other Initiatives

Leading/Supporting the following Regional Council's Strategic Priorities:

- Finalized GO Hub and Transit Stations Study, Expedited Process for Development, Global Attractiveness, Facilitating Development Solutions and Grant and Incentive Programs

Growing Niagara

- District & Secondary Plans: Brock Plan in implementation, Glendale Plan initiated and Prudhommes Plan complete
- Providing assistance with development of the Smithville Subwatershed Study Terms of Reference
- Supporting major development initiatives

Building Great Communities - Urban Design (Public Realm Investment Program)

- Regional facilities and streetscapes in core areas
- Providing assistance to several communities with urban design solutions

Planning & Development - Continued

Supporting Local Communities, Fostering Great Development

- 58% increase in development application revenues between 2014-2017
- 59% increase in pre-consultations between 2014-2017
- 95.4% of applications satisfied review timeline targets in 2017
- Updating Memorandum of Understanding with our Local Area Municipalities and the Niagara Peninsula Conservation Authority
- Leading Environmental Planning review function

Court Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$2,000	\$1,756	\$244	12.2%
Administrative	\$1,867	\$1,835	\$32	1.7%
Operational & Supply	\$921	\$1,296	-\$375	-40.7%
Equipment, Vehicles, Technology	\$1	\$10	-\$9	N/A
Financial Expenditures	\$109	\$163	-\$54	-49.8%
Total Expenses	\$4,897	\$5,060	-\$163	-3.3%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$6,740	-\$7,344	\$604	9.0%
Total Revenues	-\$6,740	-\$7,344	\$604	9.0%
Intercompany Charges	-\$9	-\$7	-\$2	-19.0%
Total Intercompany Charges	-\$9	-\$7	-\$2	-19.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$1,852	-\$2,291	\$439	23.7%
Transfers To Funds	\$0	\$45	-\$45	0.0%
Total Transfers	\$0	\$45	-\$45	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-\$1,852	-\$2,246	\$395	21.3%
Indirect Allocations & Debt	\$1,307	\$1,306	\$2	0.1%
Total Indirect Allocations & Debt	\$1,307	\$1,306	\$2	0.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$544	-\$941	\$396	72.8%

Court Services - Continued

Variance Analysis (in thousands of dollars)

Courts Services operated at a year-to-date surplus before indirect allocations of \$396 due to the following factors:

Distribution to Local Area Municipalities - The total year distribution to local area municipalities and Region is \$941 each, due in part to an increase in collection enforcement activity and fine payments received, as well as savings due to vacancy management.

Compensation - The favourable variance of \$244 is due to vacancy management.

Operational & Supply - The unfavourable variance of \$375 is mainly due to the increase in the fourth quarter net revenue distribution payment to the local area municipalities reflective of the overall net revenue for the year being more than budgeted.

Financial Expenditures – The unfavourable variance of \$54 is a result of higher collection charges paid to third party collection agencies as a result of increased delinquent fines recovered in the year.

Other Revenue - The favourable variance of \$604 is due to an increase in collection enforcement activity and larger fine payments received in the year.

Community Impacts & Achievements

Court Services developed new performance metrics in 2016 for Administration, Collections and Prosecutions. High quality service, cost effective services, timely/accessible service and innovative services are four key metrics measured against targets identified. Here are some of the targets and outcomes of our key metrics:

High Quality Service

- Information accuracy – # of licence suspensions vs suspensions made in error
Target = 99% Outcome = 99.9%
- Information accuracy - # of convictions vs # of administrative re-openings
Target = 95% Outcome = 100%

Cost Effective Service

- Value Return vs Investment – cancelling witnesses & vacating court time within 3 days of notification
Target = 95% Outcome = 100%

Established Standard vs Outcome

- RPC Review - prosecution undertake file review within 5 days of receiving file
Target = 95% Outcome = 67%
- Appeals – send file to MAG within 10 days of being notified of appeal
Target = 80% Outcome = 0%
- Cases investigated for enforcement within 30 days
Target = 80% Outcome = 41%

Timely/Accessible Service

- Disclosure – sent to defendant within 10 business days of receipt of file
Target = 95% Outcome = 98%
- Trials & ER's – set within 20 days of receipt of request
Target = 80% Outcome = 100%

Innovative Service

- Service quality improved through innovation - Extension results - # of times sent by email vs regular mail
Target = 75% Outcome = 79%
- Cost saved through innovation - Interpreters through video vs. total number of interpreters
Target = 50% Outcome = 84%

Court Services - Continued

- Mileage cost saved through Lync meetings = \$45
- Travel time saved through Lync meetings = 90 minutes

Court Services will continue to monitor these measures to ensure that internal targets are met and processes are improved as well as work to identify new measures to continue the success of the division.

Niagara Regional Housing Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$4,802	\$4,917	-\$115	-2.4%
Administrative	\$864	\$813	\$51	5.9%
Operational & Supply	\$81	\$80	\$2	2.0%
Occupancy & Infrastructure	\$14,288	\$14,655	-\$367	-2.6%
Equipment, Vehicles, Technology	\$364	\$293	\$71	19.5%
Community Assistance	\$33,784	\$30,809	\$2,975	8.8%
Partnership, Rebate, Exemption	\$0	\$0	\$0	0.0%
Financial Expenditures	\$2,362	\$2,337	\$25	1.1%
Total Expenses	\$56,545	\$53,903	\$2,642	4.7%
Federal & Provincial Grants	-\$15,439	-\$14,496	-\$942	-6.1%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$13,874	-\$15,240	\$1,365	9.8%
Total Revenues	-\$29,313	-\$29,736	\$424	1.4%
Intercompany Charges	\$61	\$67	-\$6	10.7%
Total Intercompany Charges	\$61	\$67	-\$6	10.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$27,293	\$24,234	\$3,059	11.2%
Transfers From Funds	-\$525	-\$525	\$0	0.0%
Transfers To Funds	\$610	\$980	-\$370	-60.7%
Total Transfers	\$85	\$455	-\$370	-433.8%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,378	\$24,689	\$2,689	9.8%
Indirect Allocations & Debt	\$6,650	\$6,704	-\$55	-0.8%
Total Indirect Allocations & Debt	\$6,650	\$6,704	-\$55	-0.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$34,028	\$31,393	\$2,635	7.7%

Niagara Regional Housing - Continued

Variance Analysis (in thousands of dollars)

Niagara Regional Housing (NRH) is operating a favourable year-to-date surplus before indirect allocations of \$2,689. The year-to-date surplus is due to the following factors:

Compensation – The unfavourable variance of \$115 is due to unbudgeted increases and changes in the Senior Management Team partially offset by the timing of staffing transitions and Ministry administrative funding related to certain positions.

Administration – The favourable variance of \$51 is due to lower than expected costs for consulting of board-level and executive-office initiatives partially offset by higher than budgeted costs related to the building condition assessments at all properties and insurance costs relating to property damage in the year.

Occupancy & Infrastructure - The unfavourable variance of \$367 is due to higher than budgeted property infrastructure and grounds maintenance costs driven by higher than budgeted costs for service contract renewals due to increases in minimum wage and service level review requirements. This is partially offset by lower than budgeted utility costs and property tax savings.

Equipment, Vehicles, Technology - The favourable variance of \$71 is due to the timing of the housing provider software implementation, which is expected to be completed in 2019 and has been recorded as an encumbrance in the Transfer to Reserves. This is partially offset by higher than budgeted appliance repair and replacement costs in NRH-owned units.

Community Assistance - The favourable variance of \$2,975 is due to lower than budgeted subsidy payments to non-profit, co-op and federal providers along with prior year adjustments, in addition to the timing of take-up for Ministry-funded programs expected to be utilized in 2019. This variance is partially offset by the Federal & Provincial Grants as revenue is deferred to align with timing of program spending and related administrative costs.

Federal & Provincial Grants - The unfavourable variance of \$942 is due to timing of Ministry-funded programs and related administrative costs.

Other Revenue - The favourable variance of \$1,365 is due to the recognition of provincial funding where NRH holds no further obligation (\$388), higher than budgeted rental revenues for NRH-owned units (\$585), and investment income (\$226).

Transfers - The unfavourable forecasted variance of \$370 is due to the 2018 encumbrances for initiatives with expected 2019 completion, including: software implementation to support housing providers and capital asset management (\$69); and the completion of the Designated Substance Surveys (\$270), NRH Board Governance process (\$17) and office seating updates (\$14).

Community Impacts & Achievements

Acting as Service Manager on behalf of Niagara Region, NRH is responsible for Social, Public & Affordable Housing within the context of an ever-increasing wait list and clients struggling through negative effects of poverty. Accomplishments to date in 2018 include:

- *New Units* – Construction continues on the \$15.8 million, 85-unit Carlton Street development, addressing the need for affordable rental units in St. Catharines, in addition, construction has started on the 2018 Multi-residential intensification on Roach street in Welland
- *Home Repairs* – Inspections underway for 2018-2019 Niagara Renovates funding; 49 households were improved in 2018
- *Improved Lives Through Homeownership* – NRH has provided a down payment loan to help 47 households purchase their first home during 2018
- *Help For Survivors Of Domestic Violence* – Continue accepting applications to provide Portable Rent Benefits to prevent at-risk households from unsafe situations or the move to shelters
- *Addressed Homeless* – Continue partnering with Community Services through the Housing First program to move those experiencing homelessness to their own homes with appropriate supports

Niagara Regional Housing - Continued

- *Improved Communities* – NRH partners with more than 40 community agencies across Niagara to link vulnerable tenants with appropriate supports and provide community programs to build better communities
- *Bus Tour* – NRH provided a bus tour to introduce Councillors to NRH communities and services provided; NRH provided an informative snapshot of Affordable Housing, Public Housing, Non-Profits and Cooperatives.

Niagara Regional Police Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$144,587	\$144,844	-\$257	-0.2%
Administrative	\$3,824	\$3,765	\$59	1.6%
Operational & Supply	\$2,255	\$2,388	-\$133	-5.9%
Occupancy & Infrastructure	\$327	\$191	\$136	41.5%
Equipment, Vehicles, Technology	\$6,029	\$5,708	\$321	5.3%
Financial Expenditures	\$4	\$10	-\$6	-152.3%
Total Expenses	\$157,026	\$156,906	\$120	0.1%
Federal & Provincial Grants	-\$10,008	-\$10,037	\$29	-0.3%
By-Law Charges & Sales	-\$7,355	-\$7,068	-\$287	3.9%
Other Revenue	-\$1,529	-\$1,992	\$464	-30.3%
Total Revenues	-\$18,891	-\$19,098	\$206	-1.1%
Intercompany Charges	-\$1,367	-\$1,362	-\$5	-0.3%
Total Intercompany Charges	-\$1,367	-\$1,362	-\$5	-0.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$136,768	\$136,446	\$322	0.2%
Transfers From Funds	\$0	\$0	\$0	0.0%
Transfers To Funds	\$6,723	\$6,723	\$0	0.0%
Total Transfers	\$6,723	\$6,723	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$143,491	\$143,169	\$322	0.2%
Indirect Allocations & Debt	\$10,905	\$10,698	\$206	1.9%
Total Indirect Allocations & Debt	\$10,905	\$10,698	\$206	1.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$154,396	\$153,868	\$528	0.3%

Niagara Regional Police Services - Continued

Variance Analysis (in thousands of dollars)

For the period ending December 31 2018, the Service and Board's financial result was a combined Net Expenditure before Indirect Allocations surplus of \$322. The surplus consisted of a \$173 surplus attributable to the Niagara Regional Police Service, and a \$149 surplus attributable to the Police Service Board.

Compensation – At December 31, the Compensation expense was above the approved budget by \$257. This deficit is primarily due to greater than budgeted civilian salaries for the backfilling of operationally essential civilian positions and sick leave payouts, offset by employee benefit claims and WSIB administrative savings.

Other Operational Expenditures - Other Operational Expenditures are comprised of all other operating expenditures excluding Compensation Costs, Financial Expenditures and Interfunctional Transfer. At December 31, spending is below budget by \$383 mainly due to savings in repairs and maintenance of equipment and vehicles as well as lower than expected spending for legal services within the Board Office.

Recoveries & Revenues – At December 31, Gross Revenues and Recoveries were \$206 above budget levels. This surplus is primarily due to other revenue recoveries such as seconded assignments, contracting of voice radio services to lower tier municipalities and proceeds from sale of assets.

NPCA Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Partnership, Rebate, Exemption	\$6,978	\$6,978	\$0	0.0%
Total Expenses	\$6,978	\$6,978	\$0	0.0%
Other Revenue	\$0	-\$1,284	\$1,284	0.0%
Total Revenues	\$0	-\$1,284	\$1,284	0.0%
Total Intercompany Charges			\$0	0.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$6,978	\$5,693	\$1,284	18.4%
Transfers To Funds	\$0	\$1,284	-\$1,284	0.0%
Total Transfers	\$0	\$1,284	-\$1,284	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$6,978	\$6,978	\$0	0.0%
Indirect Allocations & Debt	\$4	\$8	-\$4	-102.6%
Total Indirect Allocations & Debt	\$4	\$8	-\$4	-102.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$6,981	\$6,985	-\$4	-0.1%

Niagara Peninsula Conservation Authority - Continued

Niagara Peninsula Conservation Authority (NPCA) is a separate corporation and the Niagara Region levies the Niagara share of the NPCA levy on their behalf. The above summary shows the amount levied on behalf of the NPCA and not their operating results.

The favourable variance of \$1,284 in Other Revenue is the anticipated differential reserve refund that has been committed to the Niagara Region. The unfavourable variance of \$1,284 in Transfer To Funds is a result of the refund being transferred to reserves for use in the 2019 budget.

Operating Budget Amendments & Adjustment Summary (in thousands of dollars)

The following identifies all budget amendments & adjustments as per budget control policy 2017-63.

Original Budget Revenue & Expenditures	934,235	
Public Health	1,160	To record budgeted transfer from the Ambulance Communication Reserve to fund the Niagara EMS System changes (PHD 17-2017 & CSD 17-2018).
Total Budget Amendment	1,160	
Corporate	17,381	To record the 2017 Encumbrance budget adjustment as detailed in the 2017 Year end Results & Transfer report (CSD 10-2018).
Community Services	159	To record funding and related expenditures from the Ontario Trillium Foundation review of Niagara Prosperity Initiative (NPI).
Community Services	100	To record one-time funding and related expenditures from the Ministry of Community and Social Services for the Social Assistance Service Modernization Prototype.
Community Services	136	To record revised funding and related expenditures for temporary high intensity needs personal support workers funded by the Ministry of Health and Long-Term Care.
Community Services	7,851	To record funding and related expenditures from the Ministry of Education as per the 2018 Child Care Service Agreement (COM 14-2018).
Community Services	1,477	To record funding and related expenditures from the Local Health Integration Network (LHIN) for the Senior Services division in excess of approved funding (COM 17-2018).
Community Services	39	To record funding and related expenditures from Immigration, Refugees and Citizenship Canada relating to increased funding agreement for Local Immigration Partnerships.
Planning and Development	25	To record funding and related expenditures for consulting work to be completed on behalf and fully funded by developer (Lakewood).
Public Health and Emergency Services	605	To record additional funding and related expenditures from the Ministry of Health and Long-Term Care for Mandatory programs and Healthy Smiles Ontario program (MOH 03-2018).
Public Health and Emergency Services	613	To record renewed funding and related expenditure from the Ministry of Health and Long-Term Care for the Dedicated Offload Nursing Program.
Public Health and Emergency Services	239	To record funding and related expenditures from the Hamilton Niagara Haldimand Brant Local Health Integration Network for the Community Paramedicine program.
Public Health and Emergency Services	18	To record funding and related expenditures from the Ministry of Health and Long Term Care as per the Needle Exchange program base funding increase
Public Health and Emergency Services	82	To record funding and related expenditures from the Ministry of Health and Long Term Care as per the Needle Exchange program one time funding increase
Transportation	344	To record funding and related expenditures from the Public Transit Infrastructure Fund program for the acquisition of an additional IMT bus to be operated by the City of Welland.

Operating Budget Amendments & Adjustment Summary (in thousands of dollars) - Continued

Transportation	421	To record use of Provincial Gas Tax funding for the acquisition of an additional IMT bus to be operated by the City of Welland.
Wastewater	3,163	To record unused development charge funding and related expenditures for the Combined Sewer Overflow program from 2017 in relation to the 2017 Year end Results & Transfer report (CSD 10-2018).
Transportation	290	To record funding and related expenditures for repairs and maintenance of roads and shoulders damaged through the implementation of the Niagara Wind Farm.
Niagara Regional Housing	1,007	To record revised funding and related expenditures for the Social Housing Improvement Program (SHIP) and related administration (NRH 4-2016).
Total Budget Adjustment	33,850	
December 31, 2018 Adjusted Budget	969,345	

Reserve Summary (in thousands of dollars)

Reserves are an important tool to assist in financial management and planning of a municipality. Prudent use of reserves help mitigate fluctuations in taxation and rate requirements and assist in funding capital projects. Reserves are governed by the Region's Reserve and Reserve Fund Policy C-F-013

At December 31, 2018 the Region's consolidated and uncommitted reserve balance was \$295,022 (\$278,506 at December 31, 2017). The ratio of debt to reserves is an important marker of fiscal sustainability. A ratio greater than 1 shows that if revenues were to decline, the Region would have other resources to meet its obligations. Conversely, if the ratio was less than 1, it can indicate vulnerability to economic downturns. The Region's debt to reserve ratio including unissued debt is .592 (.594 at December 31, 2017).

Description	Balances at December 31, 2017	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2018 before Transfers (Q4)	Year-end transfers *	Balances Available at December 31, 2018	Capital Commitments to uninitiated projects	Balances Available at December 31, 2018
Wastewater Capital	\$45,481	\$19,735	-\$2,000	-\$20,760	\$744	\$43,200	\$46	\$43,246	\$0	\$43,246
Water Capital	\$74,052	\$19,149	\$0	-\$9,205	\$1,307	\$85,302	\$3,186	\$88,488	\$0	\$88,488
Waste Management	\$21,094	\$1,600	\$0	-\$6,103	\$312	\$16,903	\$0	\$16,903	-\$1,845	\$15,058
General Capital Levy	\$24,723	\$25,661	-\$5,800	-\$29,349	\$0	\$15,234	\$10,987	\$26,221	-\$525	\$25,696
Infrastructure Deficit	\$3,251	\$3,400	\$0	-\$6,411	\$0	\$241	\$0	\$241	\$0	\$241
Court Services Facility Renewal	\$1,650	\$0	\$0	\$0	\$0	\$1,650	\$0	\$1,650	-\$860	\$790
Niagara Regional Housing	\$7,150	\$0	\$0	-\$1,110	\$0	\$6,040	\$0	\$6,040	\$0	\$6,040
NRH Owned Units	\$4,327	\$390	\$0	-\$596	\$0	\$4,121	\$0	\$4,121	\$0	\$4,121
NRPS Long-Term Accomodation (LTA) *	\$1,184	\$5,123	-\$4,496	-\$1,759	\$0	\$52	\$0	\$52	\$0	\$52
Ontario Police Video Training Alliance	\$61	\$0	\$0	\$0	\$0	\$61	\$0	\$61	\$0	\$61
Police Capital Levy	\$1,456	\$0	\$0	-\$737	\$0	\$719	\$0	\$719	-\$250	\$469
Police Vehicle and Equipment Replacement	\$224	\$1,400	\$0	-\$1,400	\$0	\$224	\$0	\$224	\$0	\$224
Total Capital Reserves	\$184,654	\$76,458	-\$12,296	-\$77,430	\$2,362	\$173,748	\$14,219	\$187,967	-\$3,480	\$184,487
Wastewater Stabilization	\$3,649	\$0	\$0	\$0	-\$297	\$3,352	-\$370	\$2,982	\$0	\$2,982
Water Stabilization	\$3,313	\$0	-\$25	\$0	\$55	\$3,342	\$100	\$3,442	\$0	\$3,442
Waste Management Stabilization	\$6,042	\$270	\$0	\$0	\$102	\$6,414	\$1,013	\$7,427	\$0	\$7,427

Reserve Summary (in thousands of dollars) - Continued

Description	Balances at December 31, 2017	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2018 before Transfers (Q4)	Year-end transfers *	Balances Available at December 31, 2018	Capital Commitments to uninitiated projects	Balances Available at December 31, 2018
Encumbrance	\$17,531	\$11,686	- \$9,723	\$0	\$0	\$19,494	\$0	\$19,494	\$0	\$19,494
Investment Income Stabilization	\$145	\$6	- \$132	\$0	\$0	\$19	\$0	\$19	\$0	\$19
Taxpayer Relief	\$24,821	\$2,134	- \$2,245	\$0	\$0	\$24,710	\$1,832	\$26,542	\$0	\$26,542
NRH Rent Supplements	\$302	\$0	- \$24	\$0	\$0	\$278	\$0	\$278	\$0	\$278
Police Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police Services Board Contingency	\$153	\$0	\$0	\$0	\$0	\$153	\$0	\$153	\$0	\$153
Total Corporate Stabilization Reserves	\$55,956	\$14,096	- \$12,150	\$0	- \$140	\$57,763	\$2,575	\$60,338	\$0	\$60,338
Ambulance Communication	\$1,275	\$0	- \$1,238	\$0	\$0	\$37	\$0	\$37	\$0	\$37
Circle Route Initiatives	\$1,383	\$0	\$0	\$0	\$0	\$1,383	\$0	\$1,383	\$0	\$1,383
Total Specified Contribution Reserves	\$2,658	\$0	- \$1,238	\$0	\$0	\$1,419	\$0	\$1,419	\$0	\$1,419
Future Benefit Costs	\$24,995	\$0	- \$150	\$0	\$0	\$24,845	\$0	\$24,845	\$0	\$24,845
Self Insurance	\$2,270	\$0	\$0	\$0	\$0	\$2,270	\$0	\$2,270	\$0	\$2,270
Smart Growth	\$451	\$0	- \$250	\$0	\$0	\$201	\$0	\$201	\$0	\$201
Landfill Liability	\$5,377	\$2,266	\$0	\$0	\$108	\$7,750	\$538	\$8,288	\$0	\$8,288
NRH Employee future benefits	\$793	\$0	\$0	\$0	\$0	\$793	\$0	\$793	\$0	\$793
Police Accumulated Sick Leave	\$1,680	\$0	\$0	\$0	\$0	\$1,680	\$0	\$1,680	\$0	\$1,680
Police Future Benefit Cost	\$4,152	\$0	\$0	\$0	\$0	\$4,152	\$0	\$4,152	\$0	\$4,152
Police WSIB	\$2,870	\$200	\$0	\$0	\$0	\$3,070	\$0	\$3,070	\$0	\$3,070
Total Future Liability Reserves	\$42,587	\$2,466	- \$400	\$0	\$108	\$44,760	\$538	\$45,298	\$0	\$45,298
Total (Excluding Deferred Revenues)	\$285,855	\$93,020	- \$26,084	- \$77,430	\$2,330	\$277,690	\$17,332	\$295,022	- \$3,480	\$291,542

* Subject to Council approval in CSD 21-2019.

Deferred Revenue Summary (in thousands of dollars)

Description	Balances at December 31, 2017	Year to Date Transfers from Revenues	Year to Date Transfers to Operating	Year to Date Transfers from/(to) Capital	Interest allocation	Balance at December 31, 2018	Capital Commitments *	Balance Available at December 31, 2018
Development Charges-General Government	\$844	\$666	-\$256	-\$6	\$17	\$1,265	-\$1,591	-\$326
Development Charges-Police Services	\$763	\$1,132	\$0	-\$33	\$22	\$1,884	-\$38	\$1,846
Development Charges-Roads	\$42,254	\$18,818	\$0	-\$10,953	\$764	\$50,883	-\$24,264	\$26,619
Development Charges-Sewer	\$31,871	\$12,760	-\$610	-\$822	\$622	\$43,954	-\$6,662	\$37,292
Development Charges-Water	\$19,293	\$8,969	\$0	-\$356	\$390	\$28,296	-\$16,030	\$12,266
Development Charges-Emergency Medical	\$985	\$387	\$0	-\$249	\$17	\$1,140	-\$954	\$186
Development Charges-LT Care	\$504	\$2,543	\$0	\$0	\$29	\$3,076	\$0	\$3,076
Development Charges-POA	\$34	\$145	\$0	\$0	\$2	\$181	\$0	\$181
Development Charges-Health	\$66	\$345	\$0	\$0	\$4	\$415	\$0	\$415
Development Charges-Social Housing	\$370	\$2,215	\$0	\$0	\$24	\$2,609	\$0	\$2,609
Development Charges-Waste Division	\$213	\$837	\$0	-\$101	\$10	\$959	-\$121	\$837
Subtotal Development Charges	\$97,197	\$48,817	-\$866	-\$12,521	\$1,902	\$134,662	-\$49,661	\$85,000
Federal Gas Tax	\$18,081	\$13,739	\$13	-\$12,418	\$310	\$19,724	-\$19,395	\$330
Provincial Gas Tax	\$1,043	\$677	-\$1,225	\$0	\$13	\$508	\$0	\$508
Subtotal Gas Tax	\$19,124	\$14,416	-\$1,212	-\$12,418	\$323	\$20,232	-\$19,395	\$837
Total	\$116,321	\$63,233	-\$2,078	-\$24,939	\$2,225	\$154,762	-\$69,056	\$85,705

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal/provincial gas tax. Each quarter and/or year end a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

Operating Reserve Transfer Reconciliation (in thousands of dollars)

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a Reserve Fund from an outside source (i.e development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Council approved net operating transfers to reserves, including interest allocation to reserves	- \$54,208	
<i>Additional operating reserve transfers (to)/from reserves:</i>		
All Rate Reserves	- \$465	Interest income allocation to reserve above budget - Per reserve policy
2017 Encumbrance	\$17,381	2017 Encumbrance (CSD 10-2018)
2018 Encumbrance	- \$19,344	2018 Encumbrance (CSD 21-2019) – Subject to Council Approval
General Capital Levy	- \$1,228	Transfer of capital financing (balloon payment)
General Capital Levy	- \$8,561	Transfer Debt Charge Placeholder surplus to reserves to fund subsequent capital budget requirements (CSC 7-2013)
Water Capital	- \$734	Transfer Debt Charge Placeholder surplus to reserves to fund subsequent capital budget requirements (CSC 7-2013)
Wastewater Capital	- \$1,012	Transfer Debt Charge Placeholder surplus to reserves to fund subsequent capital budget requirements (CSC 7-2013)
Ambulance Communication	\$1,160	Niagara EMS System Changes CSD 17-2018
Ambulance Communication	- \$26	Transfer back to reserve for unused funds - Software license contract discontinued
Capital Levy	- \$441	Proceeds on Sale of Surplus Properties
Capital Levy	- \$250	Transfer back to reserve for unused funds - Waterfront Improvement Program PDS 16-2018
Capital Levy	- \$154	Transfer back to reserve for unused funds - Active Transportation/Bike Lane Funding
Capital Levy	- \$92	Transfer back to reserve for unused funds - Drainage Assessment
Taxpayer Relief	- \$1,284	Transfer back to reserve for anticipated NPCA Levy Apportionment Appeal, to be utilized as a funding source in the 2019 budget.
Investment Income Stabilization	- \$6	Truing up reserve balance for capital gains (CSD112-2012)
Net operating transfers to reserves	- \$69,265	

Capital Reserve Transfer Reconciliation (in thousands of dollars)

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a Reserve Fund from an outside source (i.e development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds.

Reserve Description	Annual Forecast Transfer (to)/from Reserves	Transfer Description
Council approved net capital transfers per 2018 Budget	\$73,989	Reserve Transfers to capital projects
Transfer from reserves to pre-2018 capital projects	\$7,349	
<i>Additional capital reserve transfers:</i>		
NRH Owned Units	- \$391	Project close out - Funds returned to reserve
Police Capital Levy	- \$37	Project close out - Funds returned to reserve
Net capital transfers	\$80,910	

Encumbrance Summary (in thousands of dollars)

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred but the goods or services had not been received by year end. Public sector accounting requires the Niagara Region to follow accrual based accounting. This creates a funding complication in that goods or services contracted before year end and received subsequent to year end would not be matched to their budgeted funding. Encumbrance accounting was introduced to effectively transfer the budgeted funding for goods and services where a purchase order, contract or other commitment exists, to an encumbrance reserve at year end. Below is a detailed summary of 2018 encumbrances by department.

Encumbrance History

	2018	2017	2016	2015	2014
Governance	\$0	\$0	\$35	\$129	\$49
General Government	\$3,363	\$2,278	\$250	\$0	\$365
Corporate Administration	\$285	\$390	\$249	\$30	\$2
Corporate Services	\$48	\$15	\$290	\$0	\$0
Enterprise Resource Management Services	\$581	\$224	\$99	\$0	\$0
Community Services	\$36	\$3	\$0	\$101	\$0
Planning & Development Services	\$1,881	\$1,649	\$3,254	\$2,509	\$1,511
Public Health	\$1,318	\$79	\$275	\$35	\$0
Economic Development	\$285	\$678	\$95	\$126	\$25
Niagara Regional Housing	\$371	\$501	\$223	\$34	\$192
Public Works - Transportation	\$735	\$1,544	\$2,104	\$269	\$156
Public Works - Waste Management	\$932	\$522	\$204	\$244	\$571
Public Works - Water/ Wastewater *	\$9,659	\$9,495	\$7,989	\$7,195	\$591
TOTAL	\$19,494	\$17,378	\$15,067	\$10,671	\$3,461

* The Public Works - Water/Wastewater 2018 Encumbrance includes \$14,212 (Net of Development Charge Funding \$9,659) related to Combined Sewer Overflow program funding. Managing this program through the operating budget rather than capital budget began in 2015 resulting in an increase in annual encumbrances. \$3.9MM in funding remains in capital project related to this program from 2008 through 2014.

Notes:

- \$14,342 of the total encumbrances in 2018 (2017 - \$14,354) relate to incentive and grant programs.

Encumbrance Detail *(in thousands of dollars)*

Description	Amount
General Government	
Public Realm Investment Program	
RR20 (Lundy's Lane) *	\$29
RR27 (East Main St.), RR68 (King St. RR68), RR527 (Division St.) *	\$12
Parkette Queenston St *	\$100
Prince Charles Dr *	\$13
RR18 (Ontario St.), RR81 (King St.)	\$15
Civic Square Revitalization	\$30
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)	\$100
Smithville Public Square	\$100
	\$399
Smarter Niagara Incentive Program - Tax Increment Grant	
Amounts issued in prior year*	\$103
Amounts issued in the current year	\$782
	\$885
Gateway - Tax Increment Grant	\$234
Smarter Niagara Incentive Program	
Building and Facade Improvement Grant/Loan Program	\$360
CIP/MasterPlans/Official Plans Grant Program	\$375
ESA Phase II (Risk Assessment Plan)	\$25
Heritage Restoration and Improvement Grant	\$34
Public Realm Grant Program	\$330
Residential Grant/Loan Program	\$721
	\$1,845
Total Encumbrances for General Government	\$3,363
Corporate Administration	
Communications Master Plan	\$20
Accounts Payable Audit	\$12
Employee Benefits Audit	\$50
Governance Review	\$40
Advertising Partnership with City of St. Catharines	\$13
Total Encumbrance for Corporate Administration	\$135
Corporate Services	
Employee Engagement Survey*	\$150
Staff Education Assistance*	\$14
Council Changeover	\$34
Total Encumbrance for Community Services	\$198
Enterprise Resource Management Services	
Tax Policy*	\$25
Asset Management Plan*	\$118
Consulting for ASD for LTC Redevelopment/Affordable Housing/Recycling Facilities	\$25
Sustainability Review	\$400
Advertising Partnership with City of St. Catharines	\$13
Total Encumbrance for Enterprise Resource Management Services	\$581
Community Services	

Encumbrance Detail (in thousands of dollars) - Continued

Description	Amount
Regional Affordable Housing Strategy (SAEO)	\$36
Total Encumbrance for Community Services	\$36
Planning & Development	
District Plans - Glendale Area*	\$118
Region Official Plan	\$279
Amendment to Update the Aggregate Resources Policy *	\$25
Municipal Comprehensive Review *	\$62
Environmental Planning Reviews	\$54
Highly Vulnerable Aquifer Reviews	\$25
Agricultural Grant	\$30
Planning & Development (continued)	
Waterfront Investment Program	
Fort Erie - Bay Beach Master Plan *	\$638
Niagara Falls - Millennium Rec Trail	\$400
Town of Lincoln - Museum and Cultural Centre	\$250
	\$1,288
Total Encumbrance for Planning and Development	\$1,881
Public Health	
EMS System Redesign	\$892
IDS Linkage	\$146
Parent-Talk-Line Furniture and Equipment	\$60
NFP Study - McMaster University	\$37
Flu Prevention Ads	\$11
MOH Recruitment Initiative	\$18
Early Development Instrument	\$58
Healthy Kids Community Challenge	\$36
Review and Analysis of Public Health Job Descriptions	\$35
Review and Analysis of Internal Policies	\$25
Total Encumbrance for Public Health	\$1,318
Economic Development	
South Western Integrated Fiber Technology (SWIFT)*	\$200
Niagara District Airport	\$50
Strategic Plan	\$35
Total Encumbrance for Economic Development	\$285
Niagara Regional Housing	
NRH Board Governance Process*	\$17
Integrated Housing Solution Software *	\$70
Update Boardroom and Waiting Room seating per requirements	\$14
Designated Substance Survey	\$270
Total Encumbrance for Niagara Regional Housing	\$371
Public Works - Transportation	
Niagara Specialized Transit Study	\$150
Mill and Pave Roads	\$32
Emerald Ash Bore*	\$288

Encumbrance Detail (in thousands of dollars) - Continued

Description	Amount
Traffic Data Collection	\$87
Annual Pavement Management System	\$13
Transportation Engineering Standard Specifications	\$15
Crack Sealing	\$150
Total Encumbrance for Public Works - Levy	\$735
Public Works - Waste Management	
Long-Term Waste Management Strategic Plan*	\$350
Asset Inventory & Condition Assessment*	\$153
Green Bin Campaign	\$41
Fairness Advisor for MRF Opportunity Review	\$27
MRF Opportunity Review	\$345
Optimize Environmental Monitoring Program	\$16
Total Encumbrance for Public Works - Waste Management	\$932
Public Works - Water/Wastewater	
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	\$3,270
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	\$2,448
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	\$1,941
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)	\$2,000
Total Encumbrance for Public Works - Water/Wastewater	\$9,659
TOTAL 2018 ENCUMBRANCE	\$19,494

* Encumbrance balance carried over from 2017

Capital Summary (in thousands of dollars)

The Enterprise Resource Management Services (ERMS) department develops the Capital Financing Strategy and Capital Budget guidelines in co-ordination with department and board input and in alignment with Council objectives and corporate policies. The ERMS department is responsible for the following: preparing the consolidated capital budget and forecast based on the requests of departments and boards; coordinating capital initiations, financing, closure and budget reduction of capital projects approvals and reporting; supporting tangible capital asset accounting in accordance with the Capital Asset Management Policy; and reporting on the consolidated activity of the capital program.

The capital budget represents priority projects as determined by the departments and boards and approved by Council. Following capital budget approval, projects are initiated based on department requirements and timing to complete projects. Project managers within departments and boards administer the projects and maintain the related tangible capital asset information. Project managers are accountable for monitoring the capital projects within the capital program and taking corrective action, when necessary, including both reporting on significant variances as well as taking part in the capital closure and budget reduction of capital projects process.

Capital Budget Reconciliation

The capital budget managed by Niagara Region has declined by \$70,409 since Q3 2018. The decrease is primarily caused by budget reductions (\$1,907) and project closures of (\$70,817). This decrease is slightly mitigated by gross budget adjustments (\$1,398) and transfers to capital projects (\$917).

15 capital projects of the 526 capital sub-projects, with budgets totalling approximately \$64,652 (levy \$62,807 / rate \$1,845) remain uninitiated at Dec 31, 2018. A summary of the levy and rate impact of Niagara Regions total capital budget during the year is presented below:

Capital Budget Reconciliation	Levy Programs	Rate Programs	Adjusted Budget
2017 Total Adjusted Budget (excluding Capital Variance Projects) at December 31, 2017	\$675,305	\$354,572	\$1,029,877
Council Approved 2018 Budget	\$99,392	\$87,190	\$186,582
Gross Budget Adjustment (including transfers from operating)	\$5,079	\$1,002	\$6,080
Transfer from Capital Variance	\$1,104	\$1,409	\$2,512
Budget Reductions on Active Capital Projects *	- \$4,908	- \$2,997	- \$7,905
Projects Closed	- \$25,986	- \$5,454	- \$31,439
Closed projects included in project summary reporting	\$3,758	\$0	\$3,758
2018 Total Adjusted Budget (excluding Capital Variance Projects) at July 18, 2018	\$753,744	\$435,722	\$1,189,466
Gross Budget Adjustment (including transfers from operating)	\$802	\$1,098	\$1,900
Transfer from Capital Variance	\$1,507	\$4,098	\$5,605
Budget Reductions on Active Capital Projects *	- \$5,587	- \$1,251	- \$6,838
Projects Closed	- \$18,495	- \$56,276	- \$74,771
Transfer between Levy/Rate Programs	\$2,250	- \$2,250	\$0
Closed projects included in project summary reporting	\$0	\$0	\$0
2018 Total Adjusted Budget (excluding Capital Variance Projects) at October 23, 2018	\$734,221	\$381,140	\$1,115,361
Gross Budget Adjustment (including transfers from operating)	\$1,302	\$96	\$1,398

Capital Summary (in thousands of dollars) - Continued

Capital Budget Reconciliation	Levy Programs	Rate Programs	Adjusted Budget
Transfer from Capital Variance	\$565	\$352	\$917
Budget Reductions on Active Capital Projects *	- \$1,557	- \$350	- \$1,907
Projects Closed	- \$52,193	- \$18,624	- \$70,817
Transfer between Levy/Rate Programs	\$0	\$0	\$0
Closed projects included in project summary reporting	\$0	\$0	\$0
2018 Total Adjusted Budget (excluding Capital Variance Projects) at December 31, 2018	\$682,337	\$362,614	\$1,044,952

* Budget reductions do not necessarily reflect surplus funding as not all project budgets are funded in advance.

Capital Budget Adjustments (in thousands of dollars)

The chart below identifies the projects which have received gross budget adjustments (from external revenue sources), transfers from the capital variance project, budget reductions and transfer to operations during Q4 2018 per the budget control policy 2017-63.

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Community Services	Long Term Care Homes Machinery/Equip - 2017	\$326		\$13			\$339
Corporate Services	Asset Replacement - 2017	\$2,500			-\$600	General Levy CV	\$1,900
Corporate Services	Building Exterior HQ Campbell East Roof	\$75			-\$35	General Levy CV	\$40
Corporate Services	Building Exterior Niagara Falls SAEO Roof	\$30			-\$15	General Levy CV	\$15
Corporate Services	Building Interior 68 Church Lifecycle	\$395			-\$200	General Levy CV	\$195
Corporate Services	Building Site EMS Generators Phase 2	\$768			-\$250	General Levy CV	\$518
Corporate Services	Council Chambers Renovation	\$137			-\$75	General Levy CV	\$62
Corporate Services	Long Term Care Home Redevelopment	\$15,635				Swap to LAM Grant from Debt for \$300K	\$15,635
Niagara Regional Housing	East Main Street Property	\$0	\$220				\$220
Niagara Regional Housing	Social Housing Assistance Improvement Program - 2018	\$1,608	\$950				\$2,558
Public Works - Levy	Embankment Stabilization RR 14 Warner Road West Lincoln	\$4,622		\$249			\$4,871
Public Works - Levy	Illumination Upgrades - 2017	\$400		\$10			\$410
Public Works - Levy	Intersection RR 20 Industrial Parkway South Grimsby Road	\$2,802	\$96				\$2,898
Public Works - Levy	Intersection RR57 Niagara Falls	\$300			-\$150	General Levy CV	\$150
Public Works - Levy	Intersection RR81 King/Greenlane/Durham Lincoln	\$3,039		\$137	-\$137	Federal Gas Tax	\$3,039
Public Works - Levy	Roads Reconstruction RR 69 Effingham Wessel Pelham	\$9,100	\$18				\$9,118
Public Works - Levy	Roads Reconstruction RR 81 Vinhaven 23rd Lincoln	\$470		\$150			\$620

Capital Budget Adjustments (in thousands of dollars) - Continued

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Public Works - Levy	Roads Rehabilitation - RR 1 Dominion Road Burleigh to Buffalo	\$12,165			- \$95	Costshare	\$12,070
Public Works - Levy	Roads Resurfacing - 2013	\$2,814	\$9				\$2,823
Public Works - Levy	Roads Resurfacing - 2018	\$9,500	\$10				\$9,510
Public Works - Levy	Unit #591 - Reg Cab Pickup 4x4	\$30		\$5			\$35
All Levy Departments		\$66,716	\$1,302	\$565	- \$1,557		\$67,025
Wastewater	Pump Station & Forcemain - Roberts Rd	\$500		\$182			\$682
Wastewater	Pump Station & Forcemain - Wellandvale	\$2,124	\$22				\$2,146
Wastewater	Pump Station Improvement Program - 2013	\$5,750			- \$200	Wastewater CV	\$5,550
Wastewater	Sewage Pump Station - Beaverdams	\$150	\$52	\$13			\$215
Wastewater	Trunk Sewer Rehab - Bartlett	\$515	\$17				\$532
Wastewater	Waste Water Treatment Plant Effluent Outflow - Niagara Falls	\$875	\$5				\$880
Wastewater	Wastewater Improvement Program - 2018	\$175		\$115			\$290
Wastewater	Wastewater Treatment Plant Primary Tank Upgrade - Niagara Falls	\$523		\$8			\$530
Water	Elevated Tank - Decew	\$125		\$25			\$150
Water	Storage Facility - Port Colborne	\$11,800			- \$150	Water CV	\$11,650
Water	Water Main Program - Martindale	\$650		\$10			\$660
All Rate Departments		\$23,186	\$96	\$352	- \$350		\$23,285
Corporate Services	Code & Legal Compliance - 2018	\$295	- \$50				\$245
Corporate Services	Uninterruptible Power Supply Replacement	\$50	\$50				\$100
All Inter-Project Transfers		\$345	\$0	\$0	\$0		\$345
All Departments	Total	\$90,247	\$1,398	\$917	- \$1,907		\$90,655

Capital Project Closures (in thousands of dollars)

Projects are closed throughout the year. When projects are closed, surplus funds are transferred to Capital Variance Projects that have been set up in various functional areas (levy supported and water / wastewater / waste management capital projects). For projects that are not funded from the general capital levy or rate reserves, any surpluses identified through the closeout report would be returned to the specific source reserve for future use, and reported as part of year end transfer report. The following 69 projects were closed during October 24 to December 31, 2018.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Community Services	Annual - Capital Bed Replacement - 2017	\$100	\$98	\$3	\$3	CV Levy	2
Community Services	Annual - Capital Improvement - 2015	\$550	\$538	\$12	\$12	CV Levy	4
Corporate Services	Bldg Site - Childcare FE-Site	\$135	\$133	\$2	\$2	CV Levy	3
Corporate Services	Building Exterior Upgrades - Division Street - 2018	\$204	\$0	\$204	\$204	CV Levy	1
Corporate Services	Building Interior Repair NRPS - 68 Church Street	\$150	\$29	\$121	\$121	CV Levy	2
Corporate Services	Code & Compliance Upgrade - 2016	\$97	\$94	\$3	\$3	CV Levy	3
Corporate Services	Code & Compliance Upgrade - 2017	\$31	\$31	\$0	\$0	CV Levy	2
Corporate Services	EMS Garage Door Upgrades	\$75	\$48	\$27	\$27	CV Levy	6
Corporate Services	GIS Mapping Optimization	\$438	\$394	\$44	\$61	CV Levy	8
Corporate Services	Information Technology Apps Replace/Upgrade	\$200	\$120	\$80	\$64	CV Levy	5
Corporate Services	Information Technology In-year Ext Dept Project - 2018	\$200	\$0	\$200	\$200	CV Levy	1
Corporate Services	POA Technology	\$100	\$45	\$55	\$0	CV Levy	6
Corporate Services	Public Works Service Centre Overhead Doors	\$50	\$17	\$33	\$33	CV Levy	5
Corporate Services	Regional Headquarters Campbell East - Parking Ship - 2018	\$107	\$47	\$60	\$60	CV Levy	1
Corporate Services	Regional Headquarters Campbell West Reorganization	\$172	\$115	\$57	\$57	CV Levy	4
Corporate Services	Welland Gun Range HVAC	\$125	\$46	\$79	\$79	CV Levy	5
Niagara Regional Housing	Social Housing Improvement Program - 2016	\$1,200	\$1,115	\$85	\$0	CV Levy	2
Niagara Regional Police Services Board	Air Monitor - 2018	\$10	\$9	\$0	\$0	POCL Levy	1
Niagara Regional Police Services Board	Annual - Capital Asset Acquisition - 2015	\$78	\$73	\$5	\$5	POCL Levy	4
Niagara Regional Police Services Board	Ballistic Shields - 2017	\$47	\$47	\$0	\$0	POCL Levy	2

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Niagara Regional Police Services Board	Close Quarters Battle Range Timber - 2017	\$10	\$3	\$7	\$7	POCL Levy	2
Niagara Regional Police Services Board	Collision Reporting Software - 2018	\$28	\$28	\$0	\$0	POCL Levy	1
Niagara Regional Police Services Board	Communications Unit System	\$230	\$228	\$2	\$2	POCL Levy	3
Niagara Regional Police Services Board	Conducted Energy Weapon Replacement - 2017	\$27	\$27	\$0	\$0	POCL Levy	2
Niagara Regional Police Services Board	Information Technology Equipment Replacement - 2015	\$800	\$781	\$19	\$19	POCL Levy	4
Niagara Regional Police Services Board	Information Technology Equipment Replacement - 2016	\$800	\$798	\$2	\$2	POCL Levy	3
Niagara Regional Police Services Board	Information Technology Equipment Replacement - 2017	\$700	\$699	\$1	\$1	POCL Levy	2
Niagara Regional Police Services Board	Information Technology Network Infrastructure	\$100	\$99	\$1	\$1	POCL Levy	4
Niagara Regional Police Services Board	Investigate Software - 2017	\$41	\$41	\$0	\$0	POCL Levy	2
Niagara Regional Police Services Board	Light Detection & Ranging (LIDAR) Units - 2017	\$118	\$118	\$0	\$0	POCL Levy	2
Niagara Regional Police Services Board	Powder Narc Handling - 2018	\$73	\$72	\$1	\$1	POCL Levy	1
Niagara Regional Police Services Board	Vehicles - 2013	\$1,300	\$1,300	\$0	\$0	PVER Levy	6
Niagara Regional Police Services Board	Vehicles - 2014	\$1,423	\$1,423	\$0	\$0	PVER Levy	5
Niagara Regional Police Services Board	Vehicles - 2015	\$1,398	\$1,398	\$0	\$0	PVER Levy	4
Niagara Regional Police Services Board	Vehicles - 2016	\$1,374	\$1,374	\$0	\$0	PVER Levy	3
Niagara Regional Police Services Board	Vehicles - 2017	\$1,360	\$1,359	\$0	\$0	PVER Levy	2
Public Health	Annual EMS Ambulance and Equipment - 2016	\$1,766	\$1,763	\$3	\$3	CV Levy	3
Public Works - Levy	Annual - Transportation Master Plan	\$1,386	\$1,335	\$51	\$24	CV Levy	6

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Public Works - Levy	Intersection Property - Niagara Stone Road at Concession 6	\$10	\$3	\$7	\$7	CV Levy	9
Public Works - Levy	Intersection RR81 King/Greenlane/Durham Lincoln	\$3,039	\$2,547	\$492	\$0	CV Levy	4
Public Works - Levy	Roads Reconstruction Property - RR20 - Station Road to Highway 406	\$40	\$34	\$6	\$0	CV Levy	6
Public Works - Levy	Roads Rehabilitation 14 RR20/Townline Welland	\$6,880	\$6,842	\$37	\$35	CV Levy	7
Public Works - Levy	Roads Rehabilitation RR18 - George Street / King Street Lincoln	\$8,245	\$7,832	\$413	\$217	CV Levy	10
Public Works - Levy	Structure Rehabilitation RR124 - Central Ave	\$16,940	\$16,880	\$60	\$1	CV Levy	8
Public Works - Levy	Vehicles - Reg Cab Pickup 4x4 - Unit #591	\$35	\$32	\$3	\$3	CV Levy	1
Total Levy Projects Closed and removed from Project Listing		\$52,193	\$50,017	\$2,176	\$1,216	CV Levy	
Waste Management	Mobile Shredding Truck	\$222	\$221	\$1	\$1	CV WMT	5
Waste Management	NR-12 Landfill - Reusables Drop-off	\$100	\$100	\$0	\$0	CV WMT	3
Waste Management	Annual Recycling Centre Building & Equipment - 2017	\$100	\$95	\$5	\$5	CV WMT	2
Waste Management	Annual Property Acquisition - 2017	\$100	\$0	\$100	\$100	CV WMT	2
Total Waste Management Projects Closed and removed from Project Listing		\$522	\$416	\$106	\$106		
Wastewater	Pump Station & Forcemain - Roberts Rd	\$682	\$682	\$0	\$0	CV SEW	8
Wastewater	Sewer & Forcemain Program - Park Rd	\$12,490	\$12,188	\$302	\$201	CV SEW	7
Wastewater	Wastewater Treatment Plant Upgrade Program - Anger Ave Phase 2	\$500	\$407	\$93	\$93	CV SEW	7
Wastewater	Manhole Rehabilitation Program	\$150	\$75	\$75	\$75	CV SEW	6
Wastewater	Forcemain Replacement - Foss Road	\$250	\$215	\$35	\$35	CV SEW	5
Wastewater	Pump Station Improvement Program - Renown Road	\$400	\$399	\$1	\$1	CV SEW	4
Wastewater	Miscellaneous Program - Laboratory Upgrades	\$150	\$60	\$90	\$90	CV SEW	4
Wastewater	Security Improvement Program - 2015	\$48	\$47	\$1	\$1	CV SEW	4
Wastewater	Sewer & Forcemain Program - Disher Street Elevated Sewer Crossing	\$289	\$246	\$42	\$42	CV SEW	4
Wastewater	Wastewater Treatment Plant Upgrade Program - Niagara Falls Tank	\$350	\$258	\$92	\$92	CV SEW	4

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Wastewater	Wastewater Treatment Plant Upgrade Program - Port Colborne Biosolids	\$150	\$93	\$57	\$45	CV SEW	4
Wastewater	Wastewater Treatment Plant Upgrade Program - Niagara Falls Secondary Clarifier	\$230	\$143	\$87	\$87	CV SEW	3
Wastewater	Pump Station Surge Valve - St. Davids	\$80	\$0	\$80	\$80	CV SEW	1
Total Wastewater Projects Closed and removed from Project Listing		\$15,768	\$14,814	\$954	\$842		
Water Works	Valve & Valve Chamber Replacement - 2011	\$899	\$728	\$171	\$171	CV WAT	8
Water Works	Security Improvement - 2013	\$32	\$28	\$4	\$4	CV WAT	5
Water Works	Power Glen WM Reconnection	\$275	\$228	\$47	\$47	CV WAT	5
Water Works	Water Treatment Plant Upgrade Program - DeCew WTP	\$650	\$501	\$149	\$149	CV WAT	4
Water Works	Master Meter Replacement - Merit Meadows	\$278	\$255	\$23	\$0	CV WAT	4
Water Works	Water Treatment Plant Upgrade - Rosehill Intake 2017	\$200	\$135	\$65	\$65	CV WAT	2
Total Water Projects Closed and removed from Project Listing		\$2,334	\$1,876	\$458	\$436		
Total Rate Projects Closed and removed from Project Listing		\$18,624	\$17,106	\$1,518	\$1,384		
Total Projects Closed		\$70,817	\$67,123	\$3,695	\$2,600		

Capital Project Summary (in thousands of dollars)

Once a project is initiated, multiple projects may be set-up to manage the overall project. Illustrated below is the \$1,044,952 capital budget managed by Niagara Region, representing 471 sub-projects, total capital spending to date of \$584,985 and budget remaining of \$459,966, after commitments of \$93,111.

This chart represents (in aggregate), currently active and uninitiated projects managed by Niagara Region. Capital project detail for 140 projects with budgets greater than \$1 million are discussed on subsequent pages.

Departments and Boards with projects with budgets greater than \$1 million	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Outstanding Commitments (Purchase Orders)	Budget Remaining After Commitments
Community Services	\$2,301	\$320	\$1,981	\$313	\$1,667
Corporate Services	\$171,273	\$113,188	\$58,085	\$2,468	\$55,617
Enterprise Resource Management Services	\$11,450	\$0	\$11,450	\$0	\$11,450
Niagara Regional Housing	\$34,704	\$24,121	\$10,584	\$6,355	\$4,228
Niagara Regional Police Services Board	\$32,763	\$28,237	\$4,526	\$56	\$4,469
Planning	\$2,359	\$126	\$2,233	\$40	\$2,193
Public Health	\$4,407	\$3,677	\$730	\$11	\$719
Public Works - Levy	\$365,916	\$239,046	\$126,870	\$38,479	\$88,391
Waste Management	\$16,485	\$7,917	\$8,569	\$1,542	\$7,026
Wastewater	\$180,913	\$95,000	\$85,913	\$22,587	\$63,326
Water Works	\$121,822	\$37,505	\$84,317	\$13,322	\$70,995
Total Projects with budgets greater than \$1 million	\$944,394	\$549,138	\$395,256	\$85,175	\$310,081
Total Projects with budgets less than \$1 million	\$97,118	\$35,848	\$61,271	\$7,936	\$53,334
Total Projects with budgets less than \$1 million Uninitiated	\$3,440	\$0	\$3,440	\$0	\$3,440
Total Capital Projects	\$1,044,952	\$584,985	\$459,966	\$93,111	\$366,856

Capital Project Forecast (in thousands of dollars)

A detailed analysis of capital sub-projects with budgets greater than \$1 million is presented below. There are a total of 140 projects totaling \$944,394 of adjusted capital budget. Project spending to date on these sub-projects amounts to \$549,138, representing 58.1 per cent of the adjusted capital budget on these sub-projects.

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Annual - Capital Improvement - 2018		\$1,026	\$282	\$744	\$744	2019	\$268
Expansion St Catharines Child Care Facility		\$1,275	\$38	\$1,237	\$1,237	2019	\$45
Total Community Services		\$2,301	\$320	\$1,981	\$1,981		\$313
Asset Replacement - 2017		\$1,900	\$1,182	\$718	\$718	2019	\$638
Asset Replacement - 2018		\$3,147	\$1,725	\$1,422	\$1,422	2019	\$42
Court Facilities Renewal		\$13,390	\$11,726	\$1,664	\$656	2019	\$556
Court Facilities Renewal	Uninitiated	\$13,210	\$0	\$13,210	\$0	Unknown	\$0
Customer Service Strategic Priority		\$1,685	\$128	\$1,557	\$1,557	2021	\$20
Emergency Medical Services Central Hub	Uninitiated	\$3,895	\$0	\$3,895	\$3,895	2019	\$0
Emergency Medical Services Facility		\$3,100	\$1,835	\$1,265	\$936	2019	\$1
Environmental Centre Expansion *		\$2,000	\$97	\$1,903	\$1,903	2019	\$42
Financial Management System		\$12,640	\$12,341	\$299	\$299	2019	\$5
Health Facilities - Niagara Region		\$7,305	\$2,558	\$4,747	\$4,747	2019	\$124
Health Facilities - Niagara Region	Uninitiated	\$860	\$0	\$860	\$0	Unknown	\$0
Information Technology Server Building		\$3,945	\$3,817	\$128	\$128	2019	\$88
Long-term Accommodations - NRPS Headquarters D2		\$83,227	\$69,292	\$13,935	\$13,935	2020	\$610
Longterm Care Home Redevelopment - 2015		\$15,635	\$5,216	\$10,419	\$10,419	2022	\$309
Northland Pointe Siding Replacement		\$3,344	\$3,245	\$99	\$50	2019	\$0
Regional Headquarters Generator Replacement		\$1,990	\$25	\$1,965	\$1,965	2019	\$32
Total Corporate Services		\$171,273	\$113,188	\$58,085	\$42,630		\$2,468
2021 Canada Summer Games	Uninitiated	\$9,700	\$0	\$9,700	\$9,700	2021	\$0
Expansion of Social Housing Units (Alternative Service Delivery Model)	Uninitiated	\$1,750	\$0	\$1,750	\$1,750	2020	\$0
Total Enterprise Resource Management Services		\$11,450	\$0	\$11,450	\$11,450		\$0

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Building Capital - 2017		\$1,828	\$1,814	\$13	\$0	2019	\$13
Building Capital - 2018		\$4,673	\$1,455	\$3,218	\$3,218	2019	\$2,225
Expansion, Roach Avenue, Welland		\$2,758	\$612	\$2,145	\$2,145	2019	\$2,015
Grounds Capital - 2017		\$1,053	\$1,016	\$36	\$30	2019	\$31
New Build, Carlton Street, St. Catharines		\$15,771	\$13,924	\$1,846	\$1,846	2019	\$1,049
Social Housing Assistance Improvement Program - 2018		\$2,558	\$792	\$1,766	\$1,766	2019	\$991
Unit Capital - 2017		\$4,465	\$4,442	\$23	\$14	2019	\$22
Unit Capital - 2018		\$1,600	\$64	\$1,536	\$1,536	2019	\$10
Total Niagara Regional Housing		\$34,704	\$24,121	\$10,584	\$10,555		\$6,355
Communications Unit Back-up	Uninitiated	\$1,000	\$0	\$1,000	\$1,000	2020	\$0
Communications Unit Back-up		\$1,250	\$0	\$1,250	\$1,250	2020	\$0
Communications Unit Equipment		\$4,500	\$4,473	\$27	\$27	2019	\$0
Information Technology & Equipment Replacement		\$1,100	\$304	\$796	\$796	2019	\$26
Information Technology Continuity Plan		\$1,500	\$566	\$934	\$934	2019	\$0
S.P.I.R.I.T. (Supporting Police in Records Information Technology)		\$8,630	\$8,431	\$199	\$144	2019	\$0
Vehicles - 2018		\$1,468	\$1,339	\$130	\$130	2019	\$30
Voice Radio System		\$13,315	\$13,124	\$190	\$190	2019	\$0
Total Niagara Regional Police Services		\$32,763	\$28,237	\$4,526	\$4,470		\$56
Regional Headquarters Landscape Master Plan		\$2,359	\$126	\$2,233	\$2,233	2019	\$40
Total Planning		\$2,359	\$126	\$2,233	\$2,233		\$40
Ambulance & Equipment - 2017		\$1,812	\$1,801	\$11	\$11	2019	\$8
Ambulance & Equipment - 2018		\$2,595	\$1,876	\$719	\$719	2019	\$3
Total Public Health		\$4,407	\$3,677	\$730	\$730		\$11
Annual - Storm Sewer Program		\$1,750	\$1,113	\$637	\$637	2019	\$18
Capacity Improvements - Charnwood - McLeod		\$5,380	\$20	\$5,360	\$5,360	2021	\$4

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Capacity Improvements - New Escarpment Crossing		\$2,200	\$691	\$1,509	\$1,509	2019	\$0
Capacity Improvements - Reconstruct Hwy 406 @ Third Interchange		\$1,460	\$727	\$733	\$733	2023	\$0
Capacity Improvements - Reconstruct QEW @ Glendale Ave Interchange		\$1,000	\$11	\$989	\$989	2019	\$0
Capacity Improvements - Reconstruct RR49 Concession 6/Eastwest Line		\$4,591	\$2,617	\$1,974	\$1,974	2020	\$595
Capacity Improvements - Reconstruct RR49 McLeod, Montrose to Stanley		\$7,838	\$7,402	\$436	\$436	2020	\$3,617
Capacity Improvements - RR10 Livingston/QEW-GR		\$1,750	\$569	\$1,181	\$1,181	2019	\$621
Capacity Improvements - RR54 Hwy 20/Merritt Interchange Sir Isaac Brock Way @ 406 Hwy		\$8,600	\$2,509	\$6,091	\$5,841	2020	\$4,228
Intersection - RR20 Industrial Park/South Grimsby Road 6		\$2,800	\$0	\$2,800	\$2,800	2019	\$0
Intersection - RR46 Geneva/St. Paul		\$2,898	\$2,451	\$447	\$447	2019	\$122
Intersection - RR89 Jacobsen/Burleigh		\$7,000	\$1,702	\$5,298	\$4,798	2020	\$3,234
Replacement of Burgoyne Bridge		\$6,500	\$5,243	\$1,257	\$1,257	2019	\$233
Roads Facility Program - Patrol Yard Improvement - 2018		\$93,344	\$92,055	\$1,289	\$1,287	2019	\$1,287
Roads Reconstruction - RR20 Station/Rice		\$1,000	\$0	\$1,000	\$1,000	2020	\$0
Roads Reconstruction - RR38 QEW/Fourth		\$3,793	\$3,473	\$320	\$320	2021	\$0
Roads Reconstruction - RR50 Thorold/Riverbank		\$11,990	\$8,256	\$3,734	\$3,734	2019	\$787
Roads Reconstruction - St Davids Road East		\$2,400	\$2,197	\$203	\$0	2019	\$0
Roads Rehabilitation - RR27 Prince Charles Dr to Lincoln St		\$1,766	\$178	\$1,588	\$1,588	2020	\$401
Roads Rehabilitation - RR63 Baldwin/Coffee Bridge		\$1,800	\$267	\$1,533	\$1,533	2020	\$38
		\$3,035	\$207	\$2,828	\$2,828	2020	\$84

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Roads Rehabilitation - RR69 Wessel/Centre Phase 3		\$1,000	\$150	\$850	\$850	2020	\$15
Roads Rehabilitation - RR1 Albert/Lakeshore		\$2,165	\$553	\$1,612	\$1,612	2021	\$13
Roads Rehabilitation - RR1 Dominion Road, Burleigh/Buffalo		\$12,070	\$10,175	\$1,895	\$1,895	2020	\$1,077
Roads Rehabilitation - RR45 RR4/RR63		\$1,775	\$311	\$1,464	\$1,464	2020	\$90
Roads Rehabilitation - RR49 Hydro Power Canal to Wilson Cres Phase 2		\$1,050	\$3	\$1,047	\$1,047	2020	\$0
Roads Rehabilitation - RR57		\$13,300	\$8,467	\$4,833	\$4,781	2021	\$9
Roads Rehabilitation - RR57 Stanley Whirlpool/Valleyway		\$15,233	\$14,752	\$481	\$455	2019	\$98
Roads Rehabilitation - RR69 Effingham/Wessel Phase 2		\$9,118	\$696	\$8,422	\$8,422	2019	\$7,047
Roads Rehabilitation - RR87 Lake/Geneva		\$6,841	\$6,402	\$439	\$439	2019	\$259
Roads Rehabilitation - RR87 Lakeport/Lake		\$5,638	\$5,584	\$53	\$53	2019	\$0
Roads Rehabilitation - RR87 Third/Seventh		\$1,500	\$427	\$1,073	\$1,073	2020	\$708
Roads Rehabilitation - RR87 Townline/Four Mile Creek		\$8,500	\$1,790	\$6,710	\$6,710	2020	\$3,348
Roads Resurfacing - 2013		\$4,317	\$4,189	\$129	\$129	2019	\$0
Roads Resurfacing - 2016		\$7,791	\$7,259	\$532	\$173	2019	\$173
Roads Resurfacing - 2017		\$11,783	\$9,517	\$2,266	\$160	2019	\$160
Roads Resurfacing - 2018		\$9,510	\$7,961	\$1,549	\$1,549	2019	\$1,155
Stabilization RR14 Canboro Rd at Warner		\$5,339	\$5,064	\$275	\$274	2020	\$235
Structural Rehabilitation - 2016 Program		\$3,700	\$194	\$3,506	\$3,506	2019	\$19
Structural Rehabilitation - Main Street Bridge		\$4,703	\$4,434	\$269	\$269	2020	\$83
Structural Rehabilitation - Ontario Power Generation Bridges over Gibson Lake		\$8,100	\$7,989	\$111	\$111	2020	\$17
Structural Rehabilitation - Reece Bridge		\$9,983	\$1,911	\$8,071	\$8,071	2020	\$7,888
Structural Rehabilitation - RR81 St Paul West CNR Bridge		\$1,500	\$66	\$1,434	\$1,434	2019	\$205

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Vehicles - 2016		\$3,465	\$3,189	\$276	\$276	2019	\$273
Public Works - Roads & Fleet		\$321,276	\$232,775	\$88,501	\$85,002		\$38,142
GO Transit		\$10,598	\$5,141	\$5,457	\$5,457	Beyond 2023	\$106
GO Transit	Uninitiated	\$29,402	\$0	\$29,402	\$29,402	Beyond 2023	\$0
Total GO Transit		\$40,000	\$5,141	\$34,859	\$34,859		\$106
Inter-Municipal Transit Capital Acquisition - 2015		\$1,340	\$1,059	\$281	\$128	2019	\$231
Inter-Municipal Transit Capital Acquisition - 2017		\$3,300	\$71	\$3,229	\$3,229	2019	\$0
Total IMT Transit		\$4,640	\$1,130	\$3,510	\$3,357		\$231
Total Public Works - Levy		\$365,916	\$239,046	\$126,870	\$123,218		\$38,479
Bridge St - Public Drop Off Depot Improvement	Uninitiated	\$1,145	\$0	\$1,145	\$1,125	2021	\$0
Humberstone - Landfill Expansion (Environmental Protection & Ontario Water Resources Acts)		\$5,736	\$543	\$5,193	\$5,193	2020	\$764
Humberstone - Landfill Gas Collection		\$4,674	\$4,355	\$319	\$2	2019	\$43
Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation		\$2,500	\$1,750	\$750	\$700	2019	\$726
Niagara Road 12 & Park Road - Pump Station Upgrades		\$1,307	\$286	\$1,021	\$1,000	2020	\$10
Recycling Centre - Facility Improvements Groundwater		\$1,123	\$982	\$141	\$141	2021	\$0
Total Waste Management		\$16,485	\$7,917	\$8,569	\$8,161		\$1,542
Combined Sewer Overflow (CSO) - Grimsby		\$1,725	\$222	\$1,503	\$1,503	2020	\$0
Miscellaneous Program - Garner Road		\$5,242	\$210	\$5,032	\$5,031	2020	\$223
Pump Station Capacity Expansion Program - Odour Control - Smithville		\$1,500	\$751	\$749	\$749	2020	\$157
Pump Station Improvement Program - Carleton Street		\$1,503	\$1,475	\$28	\$0	2019	\$7
Pump Station Improvement Program - Design		\$5,550	\$5,144	\$406	\$406	2019	\$161

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Pump Station Improvement Program - Haulage Road		\$2,150	\$177	\$1,973	\$1,973	2021	\$3
Pump Station Improvement Program - NOTL, Garrison Rd, William St		\$3,285	\$3,117	\$167	\$167	2019	\$14
Pump Station Improvement Program - Old Orchard		\$2,050	\$1,934	\$116	\$20	2019	\$1
Pump Station Improvement Program - Park Lane		\$1,400	\$75	\$1,325	\$1,325	2019	\$138
Pump Station Improvement Program - South Side High Lift		\$6,651	\$6,367	\$284	\$280	2019	\$146
Pump Station Improvement Program - Wellandvale		\$2,146	\$1,362	\$784	\$784	2020	\$44
Pump Station Improvement Program - Woodsvie		\$2,420	\$275	\$2,145	\$2,145	2020	\$0
Sewer & Forcemain Program - Highway 406 Trunk		\$1,450	\$0	\$1,450	\$1,450	2019	\$0
Sewer & Forcemain Program - Oaks Park Trunk		\$2,264	\$1,638	\$626	\$508	2019	\$488
Sewer & Forcemain Program - Stamford Centre		\$10,562	\$215	\$10,347	\$10,000	2019	\$9,546
Sewer & Forcemain Program - Victoria Ave		\$3,750	\$3,696	\$54	\$0	2019	\$0
Sewer Relining Program		\$1,453	\$1,333	\$121	\$121	2019	\$3
Wastewater Treatment Plant - Capacity Expansion - Niagara-on-the-Lake		\$47,832	\$47,255	\$577	\$377	2019	\$286
Wastewater Treatment Plant - Capacity Expansion - South Niagara Falls		\$2,500	\$41	\$2,459	\$2,459	2020	\$2,047
Wastewater Treatment Plant Digester/Sludge Management		\$1,000	\$931	\$69	\$0	2019	\$0
Wastewater Treatment Plant Upgrade - Garner Road		\$2,200	\$112	\$2,088	\$2,088	2020	\$52
Wastewater Treatment Plant Upgrade - Niagara Falls		\$2,100	\$262	\$1,838	\$1,838	2020	\$663

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Wastewater Treatment Plant Upgrade - Port Weller		\$9,900	\$446	\$9,454	\$9,454	2021	\$21
Wastewater Treatment Plant Upgrade - Port Weller 2017		\$1,310	\$1,065	\$245	\$245	2020	\$218
Wastewater Treatment Plant Upgrade - Welland		\$21,166	\$15,127	\$6,039	\$6,694	2020	\$5,839
Wastewater Treatment Plant Upgrade Program - Aeration - Seaway		\$1,236	\$138	\$1,098	\$1,098	2020	\$991
Wastewater Treatment Plant Upgrade Program - Bar Screen - Port Weller		\$1,230	\$98	\$1,132	\$1,132	2021	\$70
Wastewater Treatment Plant Upgrade Program - Fine Bubble Aeration - Port Dalhousie		\$29,500	\$1,140	\$28,360	\$28,360	2023	\$78
Wastewater Treatment Plant Upgrade Program - Grit System - Grimsby		\$1,725	\$240	\$1,485	\$1,485	2020	\$1,365
Wastewater Treatment Plant Upgrade Program - Primary Digester #2 - Niagara Falls		\$1,000	\$0	\$1,000	\$1,000	2019	\$0
Wastewater Treatment Plant Upgrade Program - Secondary Clarifier - Seaway		\$3,115	\$156	\$2,959	\$2,959	2020	\$27
Total Wastewater		\$180,913	\$95,000	\$85,913	\$85,652		\$22,587
Meter Replacement Program		\$3,550	\$378	\$3,172	\$3,172	2020	\$1,559
Miscellaneous Program - Elevated Tank Painting		\$2,780	\$230	\$2,550	\$2,550	2020	\$27
Miscellaneous Program - Evaluation & Replacement		\$1,100	\$1,058	\$42	\$0	2019	\$35
Miscellaneous Program - Granular Activated Carbon Replacement		\$1,760	\$3	\$1,757	\$1,757	2019	\$0
Miscellaneous Program - Pressure Booster		\$1,158	\$980	\$178	\$70	2019	\$50
Miscellaneous Program - System Storage - Grimsby		\$15,339	\$630	\$14,709	\$14,709	2021	\$215
Miscellaneous Program - System Storage - Port Colborne		\$11,650	\$11,607	\$43	\$43	2019	\$7
Rehabilitation - Elevated Tank Thorold South		\$2,365	\$12	\$2,353	\$2,353	2020	\$215

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Water Treatment Plant Raw Water Intake - Niagara Falls		\$10,750	\$116	\$10,634	\$10,634	2021	\$129
Water Treatment Plant Roadway & Parking Lot - Grimsby		\$1,180	\$86	\$1,094	\$1,094	2021	\$34
Water Treatment Plant Upgrade - Decew Falls - 2016		\$1,250	\$426	\$824	\$824	2019	\$413
Water Treatment Plant Upgrade - Niagara Falls - 2015		\$3,495	\$227	\$3,268	\$3,268	2020	\$15
Water Treatment Plant Upgrade - Niagara Falls - 2017		\$4,915	\$183	\$4,732	\$4,732	2020	\$11
Water Treatment Plant Upgrade - Port Colborne		\$8,600	\$557	\$8,043	\$11,100	2021	\$81
Water Treatment Plant Upgrade - Rosehill		\$15,000	\$6,839	\$8,161	\$8,161	2020	\$7,573
Water Treatment Plant Upgrade - Welland - 20017		\$5,000	\$180	\$4,820	\$4,820	2021	\$1,234
Watermain Program - Along CNR Grimsby		\$13,400	\$218	\$13,182	\$13,182	2020	\$439
Watermain Program - Fort Erie, Dominion Road		\$10,615	\$9,433	\$1,182	\$900	2019	\$722
Watermain Program - Hwy406 Cross Trans		\$1,715	\$12	\$1,703	\$1,715	2019	\$190
Watermain Program - Welland East and West		\$6,200	\$4,331	\$1,869	\$372	2019	\$372
Total Water Works		\$121,822	\$37,505	\$84,317	\$85,457		\$13,322
Total Projects with remaining budgets greater than \$1 million		\$944,394	\$549,138	\$395,256	\$376,536		\$85,175

Capital Variance Project Summary (in thousands of dollars)

Capital projects sometimes require more or less than the approved budget. Throughout the year, project variances are managed though either requesting extra budget dollars from the Capital Variance (CV) project, or by transferring excess capital project budget dollars to the CV through a budget reduction.

Transfers to the CV do not require approval. Requests less than \$250, one-time or cumulative on a project, may be approved by the departmental Commissioner or Director, in combination with the Commissioner of Corporate Services. Requests in excess of \$250, one-time or cumulative on a project, require Council approval. Throughout the year, the balance of CVs are monitored and, if significant excess exists, would be adjusted by transferring the excess to the respective capital reserve following Council approval.

The excess funds in the Levy Programs CV project have been identified as a funding source for the 2019 Capital Budget and will be transferred to the reserve at year end. The excess funds in the Waste Management, Wastewater and Water Works CV projects will be transferred to the respective capital reserves for use in the long-term capital affordability strategy.

Capital Variance Project Reconciliation	Levy Programs	Waste Management	Wastewater	Water Works	Total Programs
Balance at December 31, 2017	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Transfer to Active Capital Projects	- \$1,104	- \$200	- \$852	- \$357	- \$2,512
Budget Reductions on Active Capital Projects	\$2,148	\$400	\$2,337	\$0	\$4,885
Transfers (to)/from Closed Capital Projects	\$2,858	\$172	\$386	\$0	\$3,415
Adjustments to Previously Closed Projects	- \$74	\$0	- \$455	\$0	- \$529
Balance at July 18, 2018	\$4,828	\$1,372	\$2,416	\$643	\$9,259
Transfer to Active Capital Projects	- \$1,507	- \$100	- \$3,860	- \$138	- \$5,605
Budget Reductions on Active Capital Projects	\$5,324	\$0	\$1,250	\$0	\$6,574
Transfers (to)/from Closed Capital Projects	\$4,787	\$44	\$1,569	\$781	\$7,182
Adjustments to Previously Closed Projects	\$13				\$13
Balance at October 23, 2018	\$13,445	\$1,316	\$1,375	\$1,287	\$17,422
Transfer to Active Capital Projects	- \$565	\$0	- \$317	- \$35	- \$917
Budget Reductions on Active Capital Projects	\$1,325	\$0	\$200	\$150	\$1,675
Transfers (to)/from Closed Capital Projects	\$1,216	\$106	\$842	\$436	\$2,600
Adjustments to Previously Closed Projects	\$0	\$0	\$25	\$0	\$25
Balance at December 31, 2018	\$15,422	\$1,421	\$2,124	\$1,837	\$20,805
2018 Transfers to Capital Reserve *	- \$10,987	\$0	- \$46	- \$837	- \$11,870
Balance at December 31, 2018**	\$4,435	\$1,421	\$2,078	\$1,000	\$8,935

* - Subject to Council approval in CSD 21-2019

** - The balances as of December 31, 2018 for Levy Programs CV Project (\$4,200), Waste Management CV Project (\$570), and Wastewater CV Project (\$1,000) have been committed for Council priority projects in 2019.

Investment Report (in thousands of dollars)

Investment income during Q4 on the primary portfolio amounted to \$5,311, which comprises income on cash and investments including sinking fund. The fourth quarter annualized yield on the investment and cash portfolio is 3.06 per cent, no change from Q3 2018. At December 31, 2018 the portfolio had unrealized market gains (market value vs. book value) of \$1,257. Total gross investment income for 2018 is favourable when compared to budget by \$2,531 (Actual of \$18,753 vs. Budget of \$16,222). Transfers to Development Charge/Rate Reserves are \$2,360 (Actual of \$4,349 vs. Budget of \$1,990). greater than budget primarily due to growth in the development charge reserve balances of \$36M, however net investment income compared to budget for 2018 is still favourable by \$171.

Investment Performance

Budget vs Actual/Forecast	Q1	Q2	Q3	Q4	Total
2018 Budget (Gross)	\$3,532	\$3,837	\$4,193	\$4,659	\$16,222
Net Budget Transfers	\$-497	\$-497	\$-497	\$-497	\$-1,990
2018 Budget (Net)	\$3,035	\$3,340	\$3,696	\$4,161	\$14,232
2018 Actual (Gross)	\$4,080	\$4,497	\$4,864	\$5,311	\$18,753
Net Actual Transfers	\$-795	\$-851	\$-1,100	\$-1,604	\$-4,349
2018 Actual (Net)	\$3,286	\$3,646	\$3,764	\$3,707	\$14,403
Variance	\$251	\$306	\$69	-\$455	\$171

Note: Staff monitor foreign exchange rates during the year to take advantage of favourable opportunities, net investment gains of \$106 are included in Q4 investment income. Amounts reflected in this report do not include the NRH investment portfolio.

Investment Term Holdings

Funds	Book Value	Weight
Cash	\$99,517	14.4%
Cash Equivalents < 1 Year	\$53,917	7.8%
2 Year	\$28,064	4.1%
3 Year	\$41,304	6.0%
4 Year	\$25,145	3.6%
5+ Year	\$430,572	62.2%
Sinking Fund (Incl. Cash)	\$14,129	2.0%
Total Portfolio	\$692,647	100.0%

Policy Percentage Limits

Holding Type	Policy Percentage Limits
Corporate	50%
Municipal	25%
Provincial	75%
Federal	100%
Region of Niagara Debentures	100%

Investment Detail (in thousands of dollars)

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings *
Bank of Montreal	Corporate	\$52,000	8.8%
Bank of Nova Scotia	Corporate	\$73,200	12.3%
HSBC Bank Canada	Corporate	\$16,500	2.8%
B2B Bank	Corporate	\$61	0.0%
Equitable Bank	Corporate	\$73	0.0%
National Bank of Canada	Corporate	\$61,500	10.4%
Royal Bank of Canada	Corporate	\$47,200	8.0%
Total	Corporate	\$250,535	42.2%
City of Hamilton	Municipal	\$5,721	1.0%
City of London	Municipal	\$1,000	0.2%
City of Montreal	Municipal	\$3,079	0.5%
City of Ottawa	Municipal	\$5,661	1.0%
City of Quebec	Municipal	\$2,292	0.4%
City of Saskatoon	Municipal	\$3,332	0.6%
City of Toronto	Municipal	\$11,664	2.0%
County of Wellington	Municipal	\$851	0.1%
Municipal Finance Authority of BC	Municipal	\$5,031	0.8%
New Brunswick Municipal Finance Authority	Municipal	\$5,503	0.9%
Region of Halton	Municipal	\$1,518	0.3%
Region of Peel	Municipal	\$3,519	0.6%
Region of Waterloo	Municipal	\$15,093	2.5%
Region of York	Municipal	\$9,662	1.6%
York Region District School Board	Municipal	\$4,359	0.7%
York Sinking Fund Debenture	Municipal	\$1,799	0.3%
Total	Municipal	\$80,084	13.5%
Newfoundland and Labrador Hydro	Provincial	\$707	0.1%
Ontario Hydro	Provincial	\$31,316	5.3%
Province of Alberta	Provincial	\$1,284	0.2%
Province of British Columbia	Provincial	\$6,831	1.2%
Province of Manitoba	Provincial	\$31,026	5.2%
Province of New Brunswick	Provincial	\$1,752	0.3%
Province of Newfoundland	Provincial	\$50,607	8.5%
Province of Nova Scotia	Provincial	\$16,493	2.8%
Province of Ontario	Provincial	\$50,583	8.5%
Province of Prince Edward Island	Provincial	\$2,706	0.5%
Province of Quebec	Provincial	\$44,404	7.5%
Province of Saskatchewan	Provincial	\$5,193	0.9%
Quebec Hydro	Provincial	\$13,607	2.3%
Total	Provincial	\$256,509	43.2%
Region of Niagara Debentures	Municipal	\$5,968	1.0%
TOTAL excluding Cash	All	\$593,096	100.0%
General Chequing **	Cash	\$28,491	
Savings	Cash	\$70,892	
Sinking Fund	Cash	\$169	
Total	Cash	\$99,552	
TOTAL including Cash		\$692,647	

* Note: Holdings by security percentages exclude cash balances.

**Cash balances shown are the amounts held by the financial institution at the end of the quarter and do not include adjustments for outstanding payments or deposits. Balances include USD funds converted at quarter-end spot rate of 1.3642.

Debt Report (in thousands of dollars)

S&P (Standard & Poor's) has had Niagara rated AA with a stable outlook since April 5, 2001 when S&P and CBRS (Canadian Bond Rating Service) merged their ratings. S&P affirmed Niagara's AA rating with stable outlook on October 10, 2018. The ratings reflect S&P's opinion of Niagara's exceptional liquidity, very strong budgetary performance, strong financial management, and moderate debt burden. The stable outlook reflects S&P's expectations that Niagara will post near-balanced after-capital budgetary results; its tax-supported debt will be about 77% of consolidated operating revenues, and its liquidity will remain exceptional in the next two years. Niagara continually strives to improve our credit rating, as it sends a strong, positive message to investors, and directly impacts our cost of borrowing in the capital markets.

Key Rating Factors	Standard & Poor's Assessment	Key Rating Factors	Standard & Poor's Assessment
Institutional Framework Economy Financial Management Budgetary Flexibility	Very Predictable and well-balanced Average Strong Average	Budgetary Performance Liquidity Debt Burden Contingent Liabilities	Very Strong Exceptional Moderate Very Low

Department	Total Debt as at December 31, 2017 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2018 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2018	Annual Repayment Limits
General Government	\$25,014	\$0	\$-1,862	\$ (54)	\$23,098	\$12,350	\$35,448	
Police	\$85,144	\$1,675	\$-3,633	\$ (203)	\$82,982	\$11,080	\$94,063	
Roads	\$112,719	\$19,744	\$-10,661	\$ (234)	\$121,568	\$52,114	\$173,682	
Public Health	\$8,821	\$8,256	\$-2,759	\$0	\$14,318	\$6,537	\$20,855	
Community Services	\$24,469	\$0	\$-2,420	\$0	\$22,049	\$15,835	\$37,884	
NRH	\$19,798	\$6,769	\$-2,362	\$0	\$24,205	\$4,964	\$29,169	
Planning	\$93	\$0	\$-30	\$0	\$63	\$0	\$63	
Total Levy	\$276,057	\$36,443	\$-23,726	\$ (492)	\$288,283	\$109,231	\$397,513	
Wastewater	\$58,971	\$0	\$-2,034	\$ (1,039)	\$55,898	\$17,150	\$73,048	
Water	\$9,214	\$2,555	\$-265	\$ (258)	\$11,245	\$8,845	\$20,090	
Waste Management	\$2,290	\$2,555	\$-733	\$0	\$1,558	\$0	\$1,558	
Total Rate	\$70,475	\$2,555	\$-3,032	\$ (1,297)	\$68,700	\$25,995	\$94,695	

Debt Report (in thousands of dollars) - Continued

Department	Total Debt as at December 31, 2017 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2018 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2018	Annual Repayment Limits
Total Niagara Region	\$346,533	\$38,998	-\$26,759	\$(1,789)	\$356,983	\$135,226	\$492,208	6.86%
Fort Erie	\$8,406	\$0	-\$1,023	\$0	\$7,383	\$0	\$7,383	2.65%
Grimsby	\$3,821	\$0	-\$336	\$0	\$3,485	\$0	\$3,485	1.69%
Lincoln	\$4,948	\$0	-\$464	\$0	\$4,485	\$0	\$4,485	2.77%
NOTL	\$2,823	\$0	-\$599	\$0	\$2,225	\$0	\$2,225	2.27%
Niagara Falls**	\$51,859	\$0	-\$3,640	\$0	\$48,219	\$0	\$48,219	3.46%
Pelham	\$31,906	\$0	-\$1,817	\$0	\$30,089	\$0	\$30,089	14.10%
Port Colborne	\$24,426	\$6,145	-\$1,822	\$0	\$28,749	\$0	\$28,749	9.26%
St. Catharines	\$108,921	\$16,524	-\$11,263	\$ (234)	\$113,948	\$0	\$113,948	8.96%
Thorold	\$1,176	\$0	-\$111	\$0	\$1,065	\$0	\$1,065	0.59%
Wainfleet	\$20	\$250	-\$5	\$0	\$266	\$0	\$266	0.08%
Welland	\$45,622	\$10,022	-\$5,598	\$0	\$50,046	\$0	\$50,046	8.70%
West Lincoln	\$0	\$15,289	-\$264	\$0	\$15,025	\$0	\$15,025	2.88%
NPCA	\$1,460	\$0	-\$760	\$0	\$700	\$0	\$700	
Separate School Board	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt Assumed for Others (External)	\$285,389	\$48,230	-\$27,702	\$ (234)	\$305,684	\$0	\$305,684	
Total Niagara Region & External	\$631,922	\$87,228	-\$54,461	\$ (2,023)	\$662,667	\$135,226	\$797,892	

*Unissued debt information from the local area municipalities is not provided to Niagara Region

**Calculated with 2017 FIR data (2016 used where 2017 not available) and 2018 debt servicing charges

- By-law 2018-13: Infrastructure Ontario for \$15,000, 30 years, 3.53% for Town of West Lincoln.
- By-law 2018-14: Infrastructure Ontario \$289, 10 years, 3.16% for Town of West Lincoln.
- By-law 2018-11: Infrastructure Ontario \$5,500, 30 years, 3.56% for City of Port Colborne.
- By-law 2018-12: Infrastructure Ontario \$645, 10 years, 3.18% for City of Port Colborne
- By-law 2018-55: Capital Markets \$65,800, 25 years, 3.207% for Niagara Region, City of Welland, City of St. Catharines, and Town of Wainfleet

Accounts Receivable Aging Report (in thousands of dollars)

The accounts receivable aging report reflects all unpaid accounts greater than 120 days and greater than \$25. Listing does not include outstanding invoices at quarter-end where payments have been received prior to finalization of the Q4 Financial Update.

Customer Name	Over 120	Explanation of Account	Status
Bell Canada	\$375	2017 Project Cost Sharing for Burgoyne Bridge. Public Works staff still in discussions with customer regarding costs.	Collection to continue
City of St. Catharines	\$1,933	2017 Project Cost Sharing for Burgoyne Bridge. Final reconciliation of City funding amount is in progress.	Collection to continue
Merritton Mills Redevelopment Corp	\$559	2007 Landfill tipping fees related to three redevelopment sites. Niagara Region will offset these with the Tax Increment Grants (TIG) as the agreements between the City of St. Catharines and the developer are signed. The Niagara Region has a Letter of Credit (LOC) in the amount of \$472 related to the receivable for one site and the other two sites now have active tax increment grants starting in 2017 for 2016 tax year. Draw down on LOC will begin June 2019. (Note: Amount due related to these tipping fees is actually \$598 – a credit for \$39 was applied in error. A correcting invoice for \$39 was reissued and appears in “current” aging bucket as at Q4 2018.)	Pending 2018 TIG agreements
Toronto Police Service	\$31	2018 invoice for OPVTA membership overlooked; will be paid in January 2019	Collection to continue
Town of Fort Erie	\$39	2018 RDC Invoice	Collection to continue
Township of West Lincoln	\$113	2018 RDC Invoice	Collection to continue
Trisura Guarantee Insurance	\$30	This 2018 invoice is requesting payment for work completed by our Completion Contractor in accordance with our contract with them and the payment terms with the Bonding Co. In-house legal department working with staff and Insurance Company to negotiate final settlement.	Collection to continue
Seniors Resident 11338	\$42	Resident still active. Many attempts have been made to the family to collect. On-going efforts to mitigate risk.	Collection to continue

Accounts Receivable Aging Report (in thousands of dollars) - Continued

Customer Name	Over 120	Explanation of Account	Status
Seniors Resident 12006	\$25	Resident still active. Public Guardian and Trustee have taken over financial responsibility for current and future charges. Many attempts have been made to the family to collect. On-going efforts to mitigate risk.	Collection to continue
Total	\$3,147		

Consolidated Statement of Financial Position (in thousands of dollars)

The consolidated statement of financial position is prepared in accordance with Canadian public sector accounting standards ("PSAS"). This includes all unfunded liabilities, impacts of amortization and capital fund activity. The Consolidated Statement of Financial Position for 2018 is prepared with information as at February 22, 2019,

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 106,902	\$ 143,765
Investments	585,420	480,130
Accounts receivable	77,200	78,582
Other current assets	329	212
Tangible capital assets held for sale	756	3,515
Debt Recoverable from others	305,684	285,412
	1,076,291	991,616
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	113,138	122,221
Employee future benefits and post-employment liabilities	104,421	101,403
Deferred revenue	174,920	142,222
Landfill closure and post-closure liability	61,397	79,191
Long-term liabilities	663,342	631,922
	1,117,218	1,076,959
Net debt	(40,927)	(85,343)
NON-FINANCIAL ASSETS		
Tangible capital assets	1,751,554	1,731,150
Inventory	7,360	7,319
Prepaid expenses	20,834	17,172
	1,779,748	1,755,641
Accumulated surplus	\$ 1,738,822	\$ 1,670,298

Accumulated surplus reconciliation:

	2018	2017
Operating surplus	\$ 16,117	\$ 2,118
Invested in tangible capital assets	1,393,896	1,383,133
Capital fund – unexpended capital financing	238,972	189,895
Operating fund	(23,344)	(10,667)
Unfunded landfill closure & post-closure liability	(61,397)	(79,191)
Unfunded employee future benefits & post-employment liabilities	(103,112)	(100,234)
Total surplus	1,461,132	1,349,610
Total reserves and reserves funds (page 50)	277,690	285,855
Total accumulated surplus	\$ 1,738,823	\$ 1,670,298

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region's financial activity as of December 31, 2018. These statements have been compiled by Enterprise Resource Management Services and the departments have validated the information and provided commentary.

These statements present the net funding position of Niagara Region's operating budget and do not include Public Sector Accounting (PSA) adjustments for amortization, employee future benefits and landfill liability.

Approved and/or expected unbudgeted transfers to/from reserves can offset other variances and impact net surplus/deficit reported by departments. These statements do not include capital activity. Capital activity is summarized by project in the capital reports section.

Definition of Column Headings

Year to date Budget - the portion of the annual budget expected to be realized from January through September.

Year to date Actual - actual costs incurred and revenues earned from January to September. Departments have accrued for goods or services received but not yet paid for and revenues earned but not yet received.

Year to date Budget vs Actual Variance Favourable/(Unfavourable) - the difference between the year to date budget and the year to date actual. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Annual Budget - the annual budget approved by council with budget adjustments as explained on the Operating Budget Amendments & Adjustment Summary.

Annual Forecast - the year to date actual plus the year to go forecast for October to December. It is intended to project expected organization results at the end of the current year based on information available at September 30, 2018. As noted, actual operating results may vary from the forecasted information presented.

Annual Budget vs Forecast Variance Favourable/(Unfavourable) - the difference between the annual budget and the annual forecast. An unfavourable variance (i.e. forecasted expenditures are greater than budgeted or forecasted revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. forecasted expenditures are less than budgeted or forecasted revenues are greater than budgeted) is shown as a positive.

Definition of Report Rows – Expenditures

Compensation - salaries, benefits and personnel related allowances (meals, clothing, training, etc).

Administration - costs for audit, advertising, consulting, insurance, contracted services, Court Services expenses, allowances (car, mileage, etc.), telephone, training and related expenses, office supplies, memberships and other miscellaneous expenses.

Operational & Supply – program specific costs including: chemical, medical, waste management supplies and purchased services.

Occupancy & Infrastructure– costs to repair or maintain property and infrastructure, property tax, leases and all utilities.

Equipment, Vehicles, Technology – costs to repair or maintain equipment and vehicles, minor equipment purchases, computer licenses and support.

Community Assistance - Ontario Works allowances and benefits program costs, rent supplements and the use of all housing related subsidies.

Financial Expenditures - interest charges, principal debt payments, tax write-offs, and bad debt expense. The debt related charges included in this section are allocated to departments though indirect allocations & debt.

Partnership, Rebate, Exemption – grants, rebates and exemptions provided to local area municipalities and/or other organizations to support projects within the region.

Explanation of Statement of Operations - Continued

Definition of Report Rows – Revenues

Taxation - revenues received from local area municipalities including payment-in-lieu, supplemental and power dams revenue; as well as funds received to support waste management, water and wastewater operations.

Federal & Provincial Grants - funds received from the provincial and federal governments.

By-law Charges & Sales - shared services revenue (without shared services agreement), licenses, permits and approvals, and fees and service charges on the User Fee By-Law such as child care fees, health fees, police fees (i.e. accident reports, etc), seniors homes fees (i.e. long term care accommodations fees), road fees and other miscellaneous fees (i.e. zoning).

Other Revenue - shared services revenue (with shared services agreement), investment income, Court Services revenue, recycling revenue, housing revenue and other miscellaneous revenue.

Definition of Report Rows – Intercompany Charges

Intercompany Charges - direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate (i.e. fleet, fuel, photocopiers, and print shop). The pre-established rate is intended to recover the costs incurred by the service providing department (time and material).

Definition of Report Rows – Transfers

Transfer to Reserves - includes all transfers of funds in the current year from the operating program to a reserve. At a corporate level the net of the transfers to reserves and the transfers from reserves represents our total contribution to reserves or draw on reserves in the year.

Transfer from Reserves - transfers of funds in the current year to the operating program from a reserve. At a corporate level the net of the transfers from reserves and the transfers to reserves represents our total contribution to reserves or draw on reserves in the year.

Expense Allocation to Capital - eligible costs recorded and managed in the operating program allocated to the capital program.

Definition of Report Rows – Indirect Allocation & Debt

Indirect Allocation – costs that are not directly traceable to a specific program or department (i.e. HR, finance, procurement, legal, IT, properties, and communications). Indirect costs are common resources shared by several programs and services that require an allocation to determine full cost of the program or service.

Capital Financial Allocation – allocations of all debt charges incurred to programs and services based on projects the debt is issued to fund.

