

2023

SANITATION FUND YEAREND

2023 YEAREND
FINANCIAL
REPORTING -
UNAUDITED



City of
**Prince
Albert**

QUARTERLY FINANCIAL REPORTING – SANITATION FUND

For Year Ending December 31, 2023 – UNAUDITED

2023 REVENUES

User Charges and Fees

Revenues for User Charges and Fees is over budgeted revenue by the amount of \$313,628 as follows. Increased revenue generated from Landfill Operations.

Sanitation Revenues	2023 Budget	2023 Actual	Variance
Landfill Operations	\$2,700,000	\$3,033,067	\$333,067
Bioreactor Building Rentals	\$16,990	\$18,283	\$1,293
Sanitation Surcharge	\$2,575,000	\$2,554,087	(\$20,913)
City Facilities	\$50,600	\$50,781	\$181
TOTAL REVENUES	\$5,342,590	\$5,656,218	\$313,628

Operating Grants and Donations

2023 Budget for Operating Grants and Donations was \$412,170.

Actual revenue from Operating Grants and Donations is a surplus of \$344,102 as follows:

North Central Saskatchewan Waste Management Corp	\$751,692
Saskatchewan Association for Resource Recovery	\$4,580
	<u>\$756,272</u>

Interest and Penalties

There was no budget in 2023 for Interest and Penalties. However, the amount of \$6,780 was generated in revenue from Interest and Penalties with outstanding landfill invoices.

QUARTERLY FINANCIAL REPORTING – SANITATION FUND

For Year Ending December 31, 2023 – UNAUDITED

2023 EXPENDITURES

The Sanitation Expenditures were under budget by the amount of \$542,790 as follows:

Sanitation Expenditures	2023 Budget	2023 Actual	Variance
Salaries Wages and Benefits	\$1,610,980	\$1,563,342	(\$47,638)
Contracted and General Services	\$397,200	\$169,088	(\$228,112)
Financial Charges	\$7,050	\$6,823	(\$227)
Grants and Donations	\$142,100	\$142,100	\$0
Utilities	\$37,180	\$34,119	(\$3,061)
Interest on Long Term Debt	\$177,080	\$177,083	\$3
Fleet Expenses	\$2,007,000	\$2,102,377	\$95,377
Maintenance Materials and Supplies	\$560,260	\$168,693	(\$391,567)
Insurance	\$7,280	\$8,212	\$932
Bad Debt Expense	\$7,000	\$38,503	\$31,503
Total Expenses	\$4,953,130	\$4,410,340	(\$542,790)

Salaries Wages and Benefits

Salaries Wages and Benefits are favourable ending the 4th Quarter in the amount of \$47,638 due to vacancies in staffing at the Landfill. There have been several position turn overs resulting in vacancies for period of time.

Salaries Wages and Benefits	2023 Budget	2023 Actual	Variance
Salaries Regular	\$345,190	\$307,669	(\$37,521)
Salaries Overtime	\$0	\$795	\$795
Wages Regular	\$790,000	\$742,543	(\$47,457)
Wages Overtime	\$62,350	\$104,806	\$42,456
Payroll Benefits	\$413,440	\$407,529	(\$5,911)
Total Salaries Wages Benefits	\$1,610,980	\$1,563,342	(\$47,638)

QUARTERLY FINANCIAL REPORTING – SANITATION FUND

For Year Ending December 31, 2023 – UNAUDITED

Contracted and General Services

Contracted and General Services is under budget mainly attributed to concrete crushing not occurring in 2023.

2023 Budget included \$229,000 as concrete crushing is required on an ongoing basis to meet regulatory requirements. The landfill receives over 20,000 tonnes of material annually. Estimated cost of crushing is \$15 a tonne.

\$220,000 - concrete crushing

\$9,000 - Scrap tire pick up

There were also savings in monitoring and reporting and consulting services for 2023.

Contracted and General Services	2023 Budget	2023 Actual	Variance
Concrete Crushing and Scrap Tire Pick-up	\$229,000	\$17,014	(\$211,986)
Monitoring and Reporting	\$85,000	\$74,651	(\$10,349)
Recycling Program	\$21,000	\$18,556	(\$2,444)
Bioreactor Facility - Monitoring	\$11,000	\$4,861	(\$6,139)
Annual Pitch in Week Community	\$6,200	\$12,187	\$5,987
Household Hazardous Day	\$35,000	\$22,418	(\$12,582)
Consulting Services - Landfill	\$10,000	\$0	(\$10,000)
DMC Cleaning - Cleaning at Landfill	\$0	\$19,402	\$19,402
Total Contracted and General Services	\$397,200	\$169,088	(\$228,112)

Grants and Donations

Total Grant and Donations is \$142,100.

2023 Budget: \$142,100 Total Grants and Donations is the City's annual member contribution to North Central Saskatchewan Waste Management Corp (NCSWMC). The annual fee is offset by funding from NCSWMC as part of the Multi Material Stewardship Initiative which was announced in 2016.

QUARTERLY FINANCIAL REPORTING – SANITATION FUND

For Year Ending December 31, 2023 – UNAUDITED

Utilities

Utilities are under budget mainly attributed to electricity costs as follows:

Utilities	2023 Budget	2023 Actual	Variance
Water and Sewer	\$2,260	\$2,116	(\$144)
Heating Fuels	\$16,500	\$18,048	\$1,548
Electricity	\$18,420	\$13,955	(\$4,465)
Total Utilities	\$37,180	\$34,119	(\$3,061)

Interest on Long Term Debt

City Council on February 15, 2022, approved Capital Financing in the total amount of \$6,260,000 for the construction of a Waste Cell for the Landfill to be payable over a period of 10 years.

\$177,083 is the Interest expense for the \$6,260,000 Waste Cell Construction borrowed March 1, 2022. The loan is a 10 year debenture with an interest rate of 3.05%.

The principle payment of \$544,800 is included under the 2023 Sanitation Capital Budget.

Fleet Expenses

Fleet Expenses are over budget mainly for Residential Waste Collection and Recycling Program.

Fleet Expenses	2023 Budget	2023 Actual	Variance
Landfill Operations	\$770,000	\$779,312	\$9,312
Residential Waste Collection	\$900,000	\$925,538	\$25,538
Residential Recycling & Yard Waste	\$67,000	\$59,489	(\$7,511)
Residential Recycling Program	\$270,000	\$338,038	\$68,038
Total Fleet Expenses	\$2,007,000	\$2,102,377	\$95,377

QUARTERLY FINANCIAL REPORTING – SANITATION FUND

For Year Ending December 31, 2023 – UNAUDITED

Maintenance Materials and Supplies

Maintenance Materials and Supplies are significantly under budget mainly related to:

- \$67,743 not spent for the purchase of rollout bins.
- \$10,000 savings in granular spending.
- \$28,266 savings in hired equipment rental for the Landfill.
- \$299,000 was budgeted for decommissioning the Landfill.

Sanitation Expenditures	2023 Budget	2023 Actual	Variance
Maintenance Materials and Supplies	\$560,260	\$168,693	(\$391,567)
Total Maintenance Materials and Supplies	\$560,260	\$168,693	(\$391,567)

\$299,000 is budgeted annually for the future decommissioning cost of the landfill. Prior to 2023, this was an accounting standard requirement where the future obligation is set up and expensed over time to represent the nearing of the decommissioning cost the City would be obligated to pay (estimated at \$12,500,000 - see note 3(a) of the 2022 Financial Statements). In 2023, there was a change in accounting standards as referenced in Note 18 and 19 of the audited financial statements. This change in standards required the City to adjust previous period numbers and implement the new standards on a go-forward basis. The go-forward approach recognizes this cost within the amortization expense. The opening 2022 balance of the Sanitation Improvement Fund was reduced by \$11,342,774 due to the prior period adjustments. This amount represents the \$12,500,000 future cost less amounts already expensed in prior periods (\$1,157,226). A separate report will be provided explaining the impact of this adjustment as it relates to City operations vs. accounting treatment as this also impacted (in a less significant way) the General Fund, the Water Utility Fund, and the Airport Fund.

Bad Debt Expense

Bad Debt Expense is over budget by the amount of \$31,503 for unpaid invoices for items brought to the landfill.

QUARTERLY FINANCIAL REPORTING – SANITATION FUND

For Year Ending December 31, 2023 – UNAUDITED

Interfund Transfers

Interfund Transfers	2023 Budget	2023 Actual	Variance
Transfer to General Fund - Franchise Fees	\$266,510	\$266,510	\$0
Transfer to General Fund - Sanitation Fees	\$47,030	\$45,749	(\$1,281)
Transfer to Utility Fund - Sanitation Fees	\$3,570	\$0	(\$3,570)
Transfer from Utility Fund - Utility Fees	(\$2,000)	\$0	\$2,000
Total Interfund Transfers	\$315,110	\$312,259	(\$2,851)

Contribution to General Fund

Each year a Franchise fee equal to five percent (5%) of the Sanitation Fund's total revenues is paid to the General Fund. This fee offsets the sanitation operational costs typically paid by the General Fund.

The 2023 Budget is based on 2022 Budgeted Revenue and the transfer is therefore calculated as follows:

Total Approved 2022 Sanitation Revenues	\$5,380,760
Less Revenue for CF-Facilities	(\$50,600)
	\$5,330,160
5% - Transfer to General Fund	\$266,508

\$47,030 Transfer to General Fund – City Facilities: The City transfer is based on Financial Services review and forecast of City facilities sanitation charges for 2023. City Facilities are charged the sanitation surcharge on their water bills but then an interfund transfer is made at year end to offset this revenue.



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City of
**Prince
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