



NIAGARA REGIONAL POLICE SERVICE

Police Service Board Report

PUBLIC AGENDA

Subject: Financial Variance Overview for the Period Ending September 30, 2025

Report To: Chair and Members, Niagara Police Service Board

Report Date: 2025-11-20

Recommendation(s)

That the Niagara Police Service Board (Board) receive this report for information.

Key Facts

- The purpose of this report is to provide an analysis for the period ending September 30, 2025, financial results of the Niagara Regional Police Service (Service) and Board as per the Financial Reporting, Control and Procurement of Goods and Services By-Law 412-2024.
- For the period ending September 30, 2025, the Service and Board have a combined net expenditure before indirect allocations surplus of \$1,306,378.76 from operations.
- Included in the financial results for the period are expenditures of \$409,109.89 related to the implementation of the Community Safety and Policing Act (CSPA). These expenses will be offset by a year-end transfer from the police contingency reserve fund, which currently holds \$1,022,988.42 in reserve funds for 1-time expenses related to CSPA.
- Based on the results for the 9-month period, the Service is forecasting a surplus of \$221,463.71 by the end of this fiscal year, subject to the approval of a forecasted \$613,800.00 transfer from the police contingency reserve.

Financial Considerations

There are no financial implications relating to the recommendations contained within this report.

Analysis

The quarterly variance overview provides a synopsis of the combined financial operations for the Service and the Board for the period ending September 30, 2025. As detailed in Appendix 1, the Service and Board have a combined net expenditure before indirect allocations surplus of \$1,306,378.76, representing 0.8% of the total budget to date.

The main contributing factors include a shortfall in funding provided from casino operations accompanied with a decrease in grant funding provided for Court Security and Prisoner Transportation (CSPT), which is currently being offset by a budget surplus in compensation expense related to a lag in actual benefit expenditures anticipated to be spent in the fourth quarter.

For the period ending September 30, spending related to the implementation of the CSPA of \$409,109.89 has been incurred and is included in these results. These costs will be offset by a request for a year-end transfer from the police contingency reserve where \$1,022,988.42 of the \$1,909,652.00 funds remains available. As part of the 2023 year-end surplus, Niagara Regional Council (Council) approved the transfer of funds to the police contingency reserve to offset one-time expenses related to the implementation of the CSPA. The Service continues to track any one-time spending related to this initiative to ensure that the funds set aside are used for its intended purpose.

Subject to Council approval of a forecasted \$613,800.00 transfer from the police contingency reserve, the Service is forecasting a surplus of \$221,463.71 from normal operations, based on the following contributing factors:

- The shortfall from the CSPT grant revenue for this year is \$687,516.00 deficit offset by a \$330,852.00 unbudgeted funding inflow from the NG911 grant program.
- 2025 casino revenue will remain on par with previous year's revenue, which results in a \$560,000.00 deficit from the 2025 budget; this revenue shortfall is anticipated to be offset by increase in other revenue sources including user fees and proceeds from sale of assets.
- Gross expenditures are forecasted to be favourable by \$646,169.00 (exclusive of \$613,800.00 of CSPA expenditures) thereby offsetting the revenue deficit of \$424,704.00. Main contributors to the expense savings are as follows:
 - Savings to fuel expense resulting from an actual average fuel rate below the budget set rate.
 - Savings resulting from lower than budget spending to vehicle and equipment maintenance, investigation expense and professional legal services.

Included in the year-end forecast projection is anticipated spending of \$613,800.00 related to the implementation of the CSPA. For the 2025 year, all expenses incurred from this initiative will be offset by a transfer from the police contingency reserve to a maximum of \$1,022,944.42, subject to approval from Council.

	Amount
Net Expenditures After Indirect Allocations (Deficit)	(\$392,336.29)
Transfer from Police Contingency Reserve (CSPA)	613,800.00

Adjusted Net Expenditures Before Indirect Allocations (Surplus)	\$221,463.71
---	--------------

The following variance analysis provides a detailed synopsis of the financial activity within each object of expenditure as reported in Appendix 2.

Compensation:

For the period ending September 30, compensation costs were below the approved budget by \$1,369,207.40, representing 0.9% of the total compensation budget.

This favourable variance is mainly attributable to the timing of statutory benefits expected to be spent by year end, and savings to OMERS premiums resulting from vacancies for a total benefit surplus of \$1,697,144.00. The savings in benefits are offset by an increase to special duty costs (which are offset by revenue) and overages in civilian salaries for a total deficit of \$618,404.00. Civilian salaries overages are mainly due to support staffing in operationally essential units such as Communications, Central Holding, and Records.

Based on information gathered to date, the Service is forecasting compensation costs to be on-budget by year end exclusive of one-time CSPA expenditures totaling \$44,180.51. It is anticipated that uniform and civilian salaries will exceed budget levels to support the frontline, and operationally essential civilian positions. Offsetting this deficit are savings to benefit accounts such as health and dental from lower-than-expected claims experience, and continued savings to OMERS.

Administrative:

For the period ending September 30, administrative costs were above the approved budget by \$206,467.67, representing 5.7% of the total administrative budget.

The unfavourable variance results are primarily from an increase to staff development for attending specific courses required under the CSPA, employee medical assessment reviews for new hires and high-risk positions, as well as telecommunication expenses and other sundry expenses for an overall deficit of \$492,877.00. They are partially offset by savings of \$286,409.00 to professional services such as legal and other third-party consulting services.

Based on year-to-date results, the Service forecasts administrative costs to continue to be over budget by year end exclusive of one-time expenditures of \$187,732.37 from the implementation of the CSPA.

Operational and Supply:

For the period ending September 30, operational and supply costs were above the approved budget by \$200,935.47, representing 8.1% of the total operational and supply budget to date.

This unfavourable variance includes expenditures for ammunition and arsenal supplies to support training for the new regulation under the CSPA that requires all frontline officers to be equipped with proper use of force equipment to handle an active shooter incident, and for uniforms related to the hiring of new members as well as other sundry expenses for a total deficit of \$390,876.75. These overages are mitigated by savings in investigation expenses and other program-specific supplies in the amount of \$189,941.28.

Based on year-to-date results, the Service forecasts operational and supply costs to be on-budget for year end exclusive of one-time expenditures of \$305,240.73 from the implementation of the CSPA.

Occupancy and Infrastructure:

For the period ending September 30, occupancy and infrastructure costs were above the approved budget by \$67,177.91, which represents 22.6% of the total occupancy and infrastructure budget to date.

This unfavourable variance is the result of the timing of the minor building renovations and includes \$70,458.81 of spending for lockers to store use of force equipment regulated under the CSPA.

Based on year-to-date results, the Service is forecasting occupancy and infrastructure costs to be on-budget for year-end exclusive of one-time spending of \$35,533.67 related to the implementation of the CSPA.

Equipment, Vehicles, and Technology:

For the period ending September 30, equipment, vehicles, and technology costs were below the approved budget by \$436,125.37, representing 5.7% of the total equipment, vehicles, and technology budget-to-date.

This favourable variance is primarily the result of savings realized with the purchase of gasoline for Service vehicles, repairs and maintenance on equipment, and other vehicle operating costs for an overall surplus of \$604,330.19. This is partially offset by overages mainly in minor equipment purchases and other sundry expenses for a total surplus of \$168,204.82.

Based on year-to-date results, the Service is forecasting equipment, vehicle, and technology costs to continue this favourable trend exclusive of one-time spending of \$41,122.61 related to CSPA implementation.

Revenues and Recoveries:

For the period ending September 30, revenues were below the approved budget by \$63,913.79, representing 0.4% of the total revenue budget to date.

Provincial grant funding was below budget as a result of a reduction in CSPT funding. Once the current year commenced, the Service was advised that 2025 CSPT funding would be \$6,244,540.00, a reduction of \$769,550.00 from the previous year. This resulted in an unfavourable budget variance of \$515,638.02 for the period ending.

Revenues derived from fees for service are below budget due to reduced monies received from the City of Niagara Falls for casino funding. The Service receives 18% of the amount provided to the City of Niagara Falls from the Ontario Lottery and Gaming Corporation (OLG) to a maximum of \$4,200,000.00 per annum. For the period of January to September 2025 the City received \$14,536,186.00 in funding from OLG. Accordingly, the Service received \$2,571,528.66 for the period, creating a shortfall of \$353,471.34 from the budget.

The Service is forecasting a year-end net deficit in revenues of \$442,321.29. This is mainly due to the lower-than-expected grant funding for CSPT, \$687,515.00, and loss from casino revenue, \$560,000.00. This is partially offset by increases in other revenue sources as well as funding of \$330,852.00 from the NG911 grant program.

Indirect Allocations and Debt:

For the period ending September 30, 2025, indirect allocations and debt are below budget by \$117.10, representing 0.0% of the total indirect allocations budget.

Indirect allocations and debt are not approved by the Board, as they are costs incurred by the Region and allocated to all regional departments and Agencies, Boards, and Commissions (ABCs) in accordance with Region Policy C-F-004 Cost Allocation. Indirect allocations include expenses for shared services such as finance, payroll, procurement, asset management, insurance, legal, IT, building maintenance, and property management. Also included are debt charges including principal and interest, as well as capital funding for Service projects funded through the Region's capital levy and capital funding for support projects that directly benefit the Service.

Conclusion:

The detailed variance analysis has been prepared based on results of operations as of September 30, 2025. As the year progresses, Service staff will continue to diligently monitor any developments that will impact the achievement of the annual budget.

Alternatives Reviewed

Not applicable.

Relationship to Police Service/Board Strategic Priorities

To comply with the provisions of Board By-Law 412-2024 - Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service.

Relevant Policy Considerations

- Section 289 of the Municipal Act requires municipalities to prepare a balanced budget that includes all expenditures and revenues for the taxation year.
- By-Law 412-2024 - Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service.

Other Pertinent Reports

8.4 – 2025.05.22 Financial Variance Overview – Period Ending March 31, 2025

8.5 – 2025.09.25 Financial Variance Overview – Period Ending June 30, 2025

This report was prepared by Andrew Ware, Financial Analyst, Finance Unit, and reviewed by Laura Rullo, Director, Finance and Asset Management. Recommended by Luigi Greco, Deputy Chief, Support Services.



Submitted by:

Bill Fordy, O.O.M. #9615
Chief of Police

Appendices

Appendix 1 Operating Statement of Revenue and Expenses for the Period Ending September 30, 2025

Appendix 2 Operating Statement by Object of Expenditure Sub-Category for the Period Ending September 30, 2025

Niagara Regional Police Service and Board

Appendix 1: 2025 Operating Statement of Revenue and Expenses

Object of Expenditure	2024	2025	2025	Variance		2024	2025	2025	Forecast	
	Jan. - Sep Actual	Jan. - Sep Actual	Jan. - Sep Budget	Surplus / (Deficit)	%	Full Year Actual	Annual Forecast	Annual Budget	Surplus/ (Deficit)	%
Gross Expenditures										
Compensation	141,010,711	155,686,498	157,055,705	1,369,207	0.9%	192,600,441	212,820,364	212,793,948	(26,416)	(0.0%)
Administrative	3,326,469	3,820,236	3,613,769	(206,468)	(5.7%)	4,563,340	5,106,337	4,817,670	(288,667)	(6.0%)
Operational & Supply	2,816,381	2,672,166	2,471,230	(200,935)	(8.1%)	3,618,611	3,443,477	3,152,042	(291,435)	(9.3%)
Occupancy & Infrastructure	255,332	364,367	297,190	(67,178)	(22.6%)	385,735	423,408	396,228	(27,180)	(6.9%)
Equipment, Vehicles & Technology	6,870,583	7,256,272	7,692,397	436,125	5.7%	9,077,281	9,557,725	10,181,238	623,513	6.1%
Financial Expenditures	13,001	1,064	-	(1,064)	(100.0%)	13,285	1,064	-	(1,064)	(100.0%)
Intercompany Charges	(1,505,723)	(1,706,261)	(1,665,656)	40,605	(2.4%)	(2,051,960)	(2,254,089)	(2,210,472)	43,617	(2.0%)
Transfers To/From Reserve Funds	2,799,123	3,512,430	3,512,430	(0)	0.0%	3,550,000	4,672,400	4,672,400	-	0.0%
	155,585,878	171,606,772	172,977,065	1,370,293	0.8%	211,756,734	233,770,686	233,803,055	32,368	0.0%
Revenues										
Provincial Grants	(8,640,589)	(8,163,477)	(8,280,278)	(116,801)	1.4%	(11,378,740)	(10,682,376)	(10,971,054)	(288,678)	2.6%
Fees for Service	(3,853,514)	(3,926,583)	(4,133,131)	(206,548)	5.0%	(4,974,283)	(5,099,440)	(5,494,900)	(395,460)	7.2%
Other Revenues	(3,438,860)	(3,914,862)	(3,655,427)	259,435	(7.1%)	(4,705,829)	(5,140,183)	(4,880,748)	259,435	(5.3%)
	(15,932,963)	(16,004,922)	(16,068,836)	(63,914)	0.4%	(21,058,852)	(20,921,999)	(21,346,703)	(424,704)	2.0%
Net Expenditures Before Indirect Allocations	\$ 139,652,914	\$ 155,601,850	\$ 156,908,229	1,306,379	0.8%	\$ 190,697,882	\$ 212,848,687	\$ 212,456,352	(392,336)	(0.2%)
Indirect Allocations & Debt	14,872,549	13,518,469	13,518,352	(117)	0.0%	19,701,048	19,132,012	18,267,382	(864,630)	(4.7%)
Net Expenditures After Indirect Allocations	\$ 154,525,463	\$ 169,120,320	\$ 170,426,581	1,306,262	0.8%	\$ 210,398,930	\$ 231,980,699	\$ 230,723,734	(1,256,966)	(0.5%)
Transfer from Police Contingency Reserve (CSPA)	\$ -	\$ -	\$ -	-	0.0%	\$ -	\$ (613,800)	\$ -	613,800	100.0%
Adjusted Net Expenditures Before Indirect Allocations	\$ 139,652,914	\$ 155,601,850	\$ 156,908,229	1,306,379	0.8%	\$ 190,697,882	\$ 212,234,887	\$ 212,456,352	221,464	0.1%

Niagara Regional Police Service and Board
Appendix 2: 2025 Operating Statement By Object of Expenditure Sub-Category

	2024 Jan. - Sep Actual	2025 Jan. - Sep Actual	2025 Jan. - Sep Budget	Variance Surplus / (Deficit)	%	2024 Full Year Actual	2025 Annual Forecast	2025 Annual Budget	Forecast vs Budget Surplus/ (Deficit)	%
Gross Expenditures										
Compensation										
Uniform Salaries & Wages	78,114,514	86,556,566	86,537,866	(18,700)	(0.0%)	106,207,753	117,774,927	117,374,911	(400,016)	(0.3%)
Civilian Salaries & Wages	28,740,140	31,565,728	31,010,171	(555,557)	(1.8%)	38,993,134	42,798,200	41,644,247	(1,153,953)	(2.8%)
Benefits & WSIB	32,526,171	36,078,804	37,775,948	1,697,144	4.5%	43,193,941	47,405,455	48,975,319	1,569,864	3.2%
Additional Compensation	957,502	983,195	1,138,082	154,887	13.6%	3,476,866	4,128,698	4,149,233	20,535	0.5%
Special Duty	272,422	272,485	209,638	(62,847)	(30.0%)	328,783	329,084	266,237	(62,847)	(23.6%)
Sick Leave Payout	399,962	229,720	384,000	154,280	40.2%	399,962	384,000	384,000	-	0.0%
	141,010,711	155,686,498	157,055,705	1,369,207	0.9%	192,600,441	212,820,364	212,793,948	(26,417)	(0.0%)
Administrative										
External Professional Services	690,926	651,996	922,697	270,701	29.3%	844,766	959,559	1,230,260	270,701	22.0%
Staff Development	1,031,621	1,235,761	977,608	(258,153)	(26.4%)	1,497,638	1,643,746	1,303,392	(340,354)	(26.1%)
Office, Advertising, Travel	499,953	551,092	451,146	(99,946)	(22.2%)	706,944	701,447	601,502	(99,945)	(16.6%)
Telephone & Communications	791,179	1,000,280	951,653	(48,627)	(5.1%)	1,111,550	1,316,944	1,268,318	(48,626)	(3.8%)
Licensing & Permits	75,622	71,060	79,686	8,626	10.8%	93,652	97,612	106,238	8,626	8.1%
Employee Medicals	147,017	212,149	125,998	(86,151)	(68.4%)	190,224	254,151	168,000	(86,151)	(51.3%)
General Administrative Costs	90,150	97,899	104,981	7,082	6.8%	118,566	132,878	139,960	7,082	5.1%
	3,326,469	3,820,236	3,613,769	(206,468)	(5.7%)	4,563,340	5,106,337	4,817,670	(288,667)	(6.0%)
Operational & Supply										
Program Specific Supplies & Materials	1,405,278	1,535,176	1,327,772	(207,404)	(15.6%)	1,691,109	1,968,258	1,670,355	(297,903)	(17.8%)
Uniforms	885,607	745,629	604,167	(141,462)	(23.4%)	1,221,048	946,950	805,487	(141,463)	(17.6%)
Investigation Expense	390,633	251,337	405,466	154,130	38.0%	569,197	386,470	540,600	154,130	28.5%
Other Expenses	134,863	140,024	133,825	(6,199)	(4.6%)	137,258	141,799	135,600	(6,199)	(4.6%)
	2,816,381	2,672,166	2,471,230	(200,935)	(8.1%)	3,618,611	3,443,477	3,152,042	(291,435)	(9.3%)
Occupancy & Infrastructure										
Property Leases	79,519	107,861	97,533	(10,328)	(10.6%)	107,885	160,356	130,028	(30,328)	(23.3%)
Property & Infrastructure Maintenance	175,813	256,507	199,657	(56,850)	(28.5%)	277,851	263,052	266,200	3,148	1.2%
	255,332	364,367	297,190	(67,178)	(22.6%)	385,735	423,408	396,228	(27,180)	(6.9%)
Equipment, Vehicles & Technology										
Minor Equipment & Equipment Maintenance	1,991,434	1,987,426	2,007,987	20,562	1.0%	2,430,479	2,484,036	2,602,023	117,987	4.5%
Gasoline	1,288,498	1,160,930	1,485,413	324,482	21.8%	1,685,727	1,566,105	1,980,550	414,445	20.9%
Vehicle Maintenance	936,927	912,393	1,028,619	116,225	11.3%	1,245,385	1,255,275	1,371,500	116,225	8.5%
Computer Licences & Support	2,653,724	3,195,522	3,170,378	(25,144)	(0.8%)	3,715,689	4,252,309	4,227,165	(25,144)	(0.6%)
	6,870,583	7,256,272	7,692,397	436,125	5.7%	9,077,281	9,557,725	10,181,238	623,513	6.1%
Financial Expenditures										
Intercompany Charges	13,001	1,064	-	(1,064)	(100.0%)	13,285	1,064	-	-	0.0%
Transfers To/From Reserve Funds	(1,505,723)	(1,706,261)	(1,665,656)	40,605	(2.4%)	(2,051,960)	(2,254,089)	(2,210,472)	43,617	(2.0%)
Total - Gross Expenditures	2,799,123	3,512,430	3,512,430	-	0.0%	3,550,000	4,672,400	4,672,400	-	0.0%
Total - Gross Expenditures	155,585,878	171,606,772	172,977,065	1,370,293	0.8%	211,756,734	233,770,686	233,803,055	32,369	0.0%
Revenues										
Provincial Grant Funding	(8,640,589)	(8,163,477)	(8,280,278)	(116,801)	1.4%	(11,378,740)	(10,682,376)	(10,971,054)	(288,678)	2.6%
Fees For Service	(3,853,514)	(3,926,583)	(4,133,131)	(206,548)	5.0%	(4,974,283)	(5,099,440)	(5,494,900)	(395,460)	7.2%
Other Revenue	(3,438,860)	(3,914,862)	(3,655,427)	259,435	(7.1%)	(4,705,829)	(5,140,183)	(4,880,748)	259,435	(5.3%)
Total - Revenues	(15,932,963)	(16,004,922)	(16,068,836)	(63,914)	0.4%	(21,058,852)	(20,921,999)	(21,346,703)	(424,704)	2.0%
Net Expenditures Before Indirect Allocations	\$ 139,652,914	\$ 155,601,850	\$ 156,908,229	1,306,379	0.8%	\$ 190,697,882	\$ 212,848,687	\$ 212,456,352	(392,335)	(0.2%)
Indirect Allocations & Debt	14,872,549	13,518,469	13,518,352	(117)	0.0%	19,701,048	19,132,012	18,267,382	(864,630)	(4.7%)
Net Expenditures After Indirect Allocations	\$ 154,525,463	\$ 169,120,319	\$ 170,426,581	1,306,262	0.8%	\$ 210,398,930	\$ 231,980,699	\$ 230,723,734	(1,256,965)	(0.5%)
Transfer from Police Contingency Reserve (CSPA)	\$ -	\$ -	\$ -	-	0.0%	\$ -	\$ (613,800)	\$ -	613,800	100.0%
Adjusted Net Expenditures Before Indirect Allocations	\$ 139,652,914	\$ 155,601,850	\$ 156,908,229	1,306,379	0.8%	\$ 190,697,882	\$ 212,234,887	\$ 212,456,352	221,465	0.1%