

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low
Submitted by:	Ian D. Davey, BBA CPA CA Treasurer / Director of Corporate Services	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	September 13, 2021		
Report No.:	Corporate Services-113-21		
Submit comments to Council			

Subject/Title: Operating Budget Variance Report – Q2 2021

RECOMMENDATION:

THAT Council receive the Second Quarter 2021 Operating Budget Variance Report for information purposes.

1. STRATEGIC PLAN

N/A

2. PUBLIC ENGAGEMENT

N/A

3. PURPOSE

The purpose of this report is to provide Council with the financial results for the first half of 2021 compared to budget.

4. ORIGIN AND LEGISLATION

This budget variance report covers the period from January 1, 2021 through June 30, 2021 and is intended for information purposes.

5. BACKGROUND

The 2021 Operating Budget was approved by Council on February 1, 2021 by Council Resolution 042 – 21. The 2021 Operating Budget was prepared and approved based on several assumptions with respect to the impact of the pandemic on operations and when we might be expected to return to full normal operations.

Some of the more significant assumptions included a full season for the Marina and Campground, the full year closure of the Victoria Hall Concert Hall and the return to close to normal operations for the Cobourg Community Centre for the September to December 2021 time period.

For the most part these assumptions remain valid through the first half of 2021.

6. ANALYSIS

The first page of the report is a summary of the Revenue and Expenditures by category.

The revenues represent those items specifically noted within each category of the municipal operating budget. The first column is the total annual budget, the second column is the annual revenue recorded to the end of March 2021, the third column is the revenue recorded for the six months ended June 30, 2021, the fourth column is the remaining amount required to reach budget for the year and the fifth column is the percentage required to meet budget.

Approximately 48.5% of the total budgeted revenue from sources other than property taxes have been received to the end of June 2021. This percentage may be misleading in that it is heavily influenced by the Protection Services line which includes the revenue from Police Business Services Division which is well ahead of budget for the first six months.

It is also worth noting that revenue from Planning and Residential has exceeded budgeted amounts for the full year as of the end of the second quarter.

It is expected that revenue from Parks and Recreation will show improvement in the second half of 2021 with the opening of the Cobourg Community Centre for more activities.

The expenditures portion of the first page of the report has the same columns with the first column representing the total annual budget, the second column is the actual expenditure to March 31, 2021, the third column is the actual expenditure to June 30, 2021, the fourth column is the budget available for the remainder of 2021 and the fifth column represents the remaining funds as a percentage of the total annual budget.

Approximately 46.6% of the total budgeted expenditures have been spent as of June 30, 2021.

Culture and Community expenditures appears over spent with only 32% of budget remaining for the second half of the year however this is a result of the timing of payments to the Cobourg Public Library which flow 75% in the first half of the year and 25% in the second half. Adjusting for this difference would bring the Division as a whole back to the 50% target.

The difference between the total budgeted revenue of \$14,250,061 and the total budgeted expenditures of \$39,043,630 is shown at the bottom of the page in the amount of \$24,793,569 (2020 - \$24,686,992) and represents the Municipal Tax Levy which agrees to the approved operating budget.

The second page of the report provides a further breakdown of the revenue received to June 30, 2021 by department and is the backup for the amounts shown on the summary page (Page 1).

The remaining pages, 3 to 5, provide a similar departmental breakdown of expenditures made to June 30, 2021 and support the expenditure amounts shown on the summary page (Page 1).

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

There are no financial implications at this time as both revenue and expenditures continue to track as anticipated as indicated on the Q1- 2021 financial report. With the return to more normal levels of operations, specifically within the Parks and Recreation Division, in the second half of 2021, we expect that results will move closer to budget over the remainder of 2021.

8. CONCLUSION

This report has been provided to Council and Members of the Public for information purposes and staff will be pleased to answer any questions that you may have.

Report Approval Details

Document Title:	Operating Budget Variance Report - Q2 2021 - Corporate Services-113-21.docx
Attachments:	- doc25948220210909081620.pdf
Final Approval Date:	Sep 9, 2021

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Sep 9, 2021 - 8:58 AM