

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:	December 6, 2021		
Report No.:	Corporate Services-153-21		
Submit comments to Council			

Subject/Title: Operating Budget Variance Report – Q3 2021

RECOMMENDATION:

THAT Council receive the Third 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 to the end of the third quarter of 2021 compared to budget.

4. ORIGIN AND LEGISLATION

This budget variance report covers the period from January 1, 2021 through September 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 regular operations.

As described in earlier 2021 reports some of the more significant assumptions included a full season for the Marina and Campground and this was able to happen, the full year closure of the Victoria Hall Concert Hall and we have seen the return to limited operations in recent weeks, and the return to full operations for the Cobourg Community Centre for the fall season and for the most part this is taking place.

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 and third columns were presented in the Q2-2021 report and the fourth column is the revenue recorded for the nine months ended September 30, 2021, the fifth column represents the remaining amount required to reach the full budget target for the year. The final column is the percentage left to achieve budget.

Please note that a negative number in the Revenue portion of the page indicates that budget has been exceeded as of the end of Q3-2021. These exceedances are in the areas of Protection Services and Planning which have experienced significant demand for service increases to date in 2021.

Approximately 83.2% of the total budgeted revenue from sources other than property taxes have been received to the end of September 2021. If we eliminate the impact of the Police – Business Services and the Building Department from the revenue the remaining revenue to achieve budget would be 30.9% which although greater than the expected 25% is insurmountable given that the budgeted CCC revenue was mostly planned for Q4 – 2021.

The expenditure portion of the first page has the same columns with the exception that the fifth column is the funds remaining in the budget and the sixth column is that same number expressed in the form of a percentage.

Approximately 71% of the total budgeted expenditures have been made as of September 30, 2021.

The Social and Family section is unusual in that the payments to Physician Recruitment and Northumberland Hospice have been fully made and the transfer from reserves entry has also been made which nets these items to zero on the report. The other item, Affordable Housing, is basically unspent to date in 2021 but will be fully expended by end of year by way of a transfer of any unspent amount to the reserve fund.

The Culture and Community section is impacted by the line for the Concert Hall which had a zero budget for 2021 but has seen some expenditures to date. Most notable being that staff who were redeployed for most of the year continued to have their salary charged to the Concert Hall as that is their true department.

As noted in the Q2 report the Library account appears to be over spent as the funding for the Library is transferred on a quarterly basis in advance and all four quarters have been paid as of the end of Q3. The line appears in a credit balance which will be corrected at year end by a transfer from reserve to cover some of the capital work completed in 2021.

The Concert Band of Cobourg line is also almost completely spent because the bulk of their funding is in the form of a one-time grant which was paid earlier in the year. The balance of the grant consists of the payment of the utilities for the building on D'Arcy Street which is owned by the municipality.

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 September 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 September 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 noted on both the Q1 and Q2 2021 financial reports.

The remaining challenge for Q4 – 2021 will continue to be on the revenue side but it is still anticipated that these numbers will be within budget by the end of the 2021 fiscal year.

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 - Q3 2021 - Corporate Services-153-21.docx
Attachments:	- doc27063020211202125155.pdf
Final Approval Date:	Dec 2, 2021

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

Tracey Vaughan, Chief Administrative Officer - Dec 2, 2021 - 3:10 PM