

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input 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:	May 31, 2021		
Report No.:	Corporate Services-063-21		
Submit comments to Council			

Subject/Title: Northam Industrial Park – First Quarter 2021 Financial Report

RECOMMENDATION:

THAT Council receive the First Quarter 2021 Northam Industrial Park Financial 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 of the first quarter of 2021.

4. ORIGIN AND LEGISLATION

This report covers the period from January 1, 2021 through to March 31, 2021 and is intended for information purposes.

5. BACKGROUND

The Town of Cobourg purchased Northam Industrial Park from the Ontario Realty Corporation on March 4, 2003. The original purchase was 100% financed by way of a loan from the Royal Bank of Canada. This loan was paid in full as of March 4, 2018 after fifteen years of ownership. The loan was repaid entirely from the revenue generated by the park without the use of tax dollars

In addition, the revenue from Northam has been used to provide financial assistance to many municipal capital projects over the years.

6. ANALYSIS

The attached report is unaudited and has been prepared internally from information provided by the park management group and consists of three pages as follows:

Balance Sheet

The asset section is split between current assets of \$5,371,237 and fixed or capital assets of \$17,350,971. The bank balance includes an operating balance of \$2,782,045 and a capital reserve of \$2,000,000 which has been increased from \$1,000,000 when it was first established.

The liabilities as of March 31, 2021 were \$269,467 compared to \$988,487 as at December 31, 2020.

The book value of the equity in the park is \$22,452,741 as of March 31, 2021. This value is based on historical accounting results during the entire period of ownership by the municipality and is not a reflection of the current market value for this property.

Income Statement

The income statement is presented in four columns including the 2019 and 2020 actual results for the full year and the 2021 actual results to March 31, 2021 along with the budget for the 2021 full year.

Operating revenues for the first 3 months are slightly ahead of expected at almost 26% of the total budgeted revenue for the year. Vacancies within the park are at an extremely low level and are expected to remain at current levels for the remainder of 2021.

Operating and administrative expenses are also tracking within budget for the first three months of the year.

Cash Flow Report

The cash flow report is intended to provide a summary of the changes in the cash balance from the start of the fiscal year to the end of March 2021. The cash balance has been reduced by \$187,480 during the first quarter of 2021 as existing cash was used to reduce the accounts payable balance. Cash flow should remain steady during the remainder of 2021.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The 2021 Town of Cobourg Operating and Capital budgets included the amounts of \$1,190,300 and \$35,000 respectively to be funded from Northam Industrial Park operations. This financial report indicates that this remains a realistic commitment.

8. CONCLUSION

This report has been provided to Council and Members of the Public for information purposes.

If there are any specific questions on any of this information, I would be pleased to provide an answer to them.

Report Approval Details

Document Title:	Northam Industrial Park - Financial Report - First Quarter 2021 - Corporate Services-063-21.docx
Attachments:	- doc24604820210527094808.pdf
Final Approval Date:	May 27, 2021

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

Tracey Vaughan, Chief Administrative Officer - May 27, 2021 - 2:39 PM