



Report

Subject: January to April 2025 Operating Fund Variance

Department: Corporate Services

Division: Finance

Report #: CPS-2025-036

Meeting Date: 2025-07-14

Recommendations

That report CPS-2025-036 regarding the January to April 2025 Operating Fund Variance, be received.

Overview/Background

The purpose of this report is to provide Council with a corporate summary of the operating financials for the period ending April 30, 2025, including a summary of significant variances that have been identified during the first four months of the year. This report and the explanations provided are intended to highlight trends being monitored for Council's information and to address significant year-to-date ("YTD") variances.

While the variances mentioned below may not be indicative of future trends or variances for the remainder of the year, it is important to highlight them for Council's awareness.

Analysis/Current Situation

The April YTD operating fund performance has resulted in a favourable variance of approximately \$1.64 million. This was primarily due to lower compensation expenditures than planned because of temporary position vacancies across the Town, while revenues and internal transfers were close to budget.

Attachment 1 provides a comparison of the actual operating results to the operating budget allocations as of April 30, 2025, by division.

Table 1 below summarizes the April YTD operating fund results by source with commentary on significant divisional variances provided in the text following the table.

The consolidated YTD revenues were \$423,818 or 1.6% lower than the April YTD budget forecast. Revenues to date represented approximately 37% of the annual budget and were 6% higher than the same period in 2024.

The consolidated YTD expenditures were \$1,981,175 or 9.3% lower than the April YTD budget allocation. Expenditures to date represented approximately 30% of the annual budget and were 9% higher than the same period in 2024.

The consolidated YTD internal transfers were \$75,320 or 2.9% lower than the April YTD budget allocation. Internal transfers to date represented approximately 30% of the annual budget and were 42% higher than the same period in 2024.

Table 1 – 2024 April YTD Operating Fund Variance by Source

\$ Millions	YTD Actuals	YTD Budget	YTD Variance	YTD Variance (%)	Annual Budget
Revenues	(26.38)	(26.80)	(0.42)	(1.58)	(72.02)
Expenses	19.28	21.26	1.99	9.35	63.55
Internal Transfers	2.55	2.63	0.08	2.86	8.47
Total Operations	(4.55)	(2.91)	1.64		0.00

For reference, revenues higher than budget and expenses less than budget result in a positive (+) variance, and revenues less than budget and expenses higher than budget result in a negative (-) variance.

1. Property Tax Supported Budget:

\$361,398 **Corporate Allocations** – This positive variance was driven by the following sources:

- \$305K less in debt repayment costs due to the timing of debt receipt and increased allowable Development Charge contributions
- \$50K less for insurance and insurance deductibles

\$50,032 **By-Law** – This positive variance was primarily due to \$35K in lower compensation expenses resulting largely from full-time position vacancies, and \$18K in lower professional fees due to the transition from OSPCA to an on-call canine control program.

\$72,514 **Human Resources** – This positive variance was primarily due to \$42K in lower compensation expenses resulting from full-time position vacancies, and \$11K less YTD for corporate training and development expenses. The

remainder of this variance was due to a collection of other minor variances.

\$120,174	Finance – This positive variance was entirely due to \$122K in lower compensation expenses resulting from full-time position vacancies.
\$268,526	Information Technology – This positive variance was due to \$168K in lower compensation expenses resulting from full-time position vacancies, and \$81K in lower professional consulting fees.
\$142,669	Facilities – This positive variance was driven by the following sources: <ul style="list-style-type: none">• \$47K less in compensation expenses• \$89K more in hourly ice rentals• \$17K less for emergency repairs/vandalism• \$13K less for insurance expense• \$14K less in facilities management
\$131,335	Parks – This positive variance was due to \$119K in lower compensation expenses resulting from full-time position vacancies, and \$17K in lower fleet management expenses.
\$181,168	Recreation & Events – This positive variance was driven by the following sources: <ul style="list-style-type: none">• \$82K less in compensation expenses resulting from part-time position vacancies• \$31K more in drop-in programs and hourly rentals• \$58K more in recreation program registration
\$179,873	Fire – This positive variance was due to \$148K in lower compensation expenses resulting from full-time and part-time position vacancies, and \$38K less for outside services related to communications and dispatching due to timing of invoices.
(\$632,979)	Public Works – This negative variance was driven by the following sources, most of which were due to the significant weather events earlier this year: <ul style="list-style-type: none">• \$393K more in snow removal expenses• \$137K more in largely part-time compensation expenditure• \$44K more in sidewalk maintenance equipment rentals• \$22K more in fuel expenditure• \$23K less in external cost recoveries
\$49,634	Capital Works – This positive variance was entirely due to \$46K in lower compensation expenses resulting from full-time position vacancies.

2. User Rates/Self-Funded Budgets (no levy funding):

- (\$82,013) **Building** – This negative variance was primarily driven by building permit revenue being \$95K lower than forecasted. Partially offsetting this was \$18K in lower compensation expenses and other minor variances.
- \$299,195 **Water** – This positive variance was driven by the following sources:
- \$152K less in full-time compensation expenses
 - \$60K less for water mains maintenance
 - \$37K less for hydro expenses
 - \$26K less for general materials and supplies
 - \$25K less for fleet management expenses
- \$348,203 **Wastewater** – This positive variance was driven by the following sources:
- \$131K more in external cost recoveries
 - \$59K less for chemicals at the WPCP
 - \$48K less in credit valley conservation contributions
 - \$41K less in largely full-time compensation expenditure
 - \$39K less in biosolids disposal at WPCP
 - \$34K less in hydro expenses at WPCP
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Corporate Implications

Overall, there was a favourable variance of \$1,638,677 at the end of April 30, 2025. This variance is not indicative of a trend and is subject to change throughout the balance of the year due to factors such as weather-related activity, utility and fuel usage, position vacancies, and development activity.

Surpluses and deficits at year-end will be allocated in accordance with the Corporate Operating Budget Surplus Allocation and Deficit Funding Policy. The policy supports Town's Integrated Long-term Financial Strategy, by providing additional funding for the Town's long-term infrastructure financing plan and asset management program.

Reporting periodically on the operating fund variance supports Council in achieving its fiduciary responsibilities to monitor and report on corporate performance in accordance with the Town's Strategic Plan.

Conclusion

Staff will continue to monitor the 2025 operating budget and will continue to update Council on its status. The next scheduled financial update, the mid-year results report, will be presented on August 11, 2025.

Strategic Alignment

Strategic Plan

Strategic Goal: Future-Readiness

Objective: Due Diligence – confirm applicable governance and policy regimes

Notice Provisions

None

Respectfully submitted,

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Attachment(s): 1. January to April 2025 Operating Fund Variance by Division