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Report 2023-069

Report Title: April 2023 Year-to-Date Financial Results

Committee Name: Finance and Audit

Committee Meeting Date: June 6, 2023

Prepared by: Matthew Nitsch
Deputy Treasurer
Finance

Approved by: Jennifer Moore, CAO

Council Meeting Date: June 21, 2023

Strategic Plan Priorities: Economic Prosperity and Innovation
 Sustainable Growth
 Thriving and Inclusive Communities
 Leadership in Change

Information Report

That the Finance and Audit Committee receive Report 2023-069 'April 2023 Year-to-Date Financial Results' for information; and

Further That the Committee recommend that County Council receive this report for information."

Purpose

To provide the Finance & Audit Committee and Northumberland County Council with an analysis of the County's financial performance year-to-date as of April 30, 2023.

Background

The variance analysis is aligned with objectives under the County's long-term financial planning framework. This analysis ensures transparency and identifies potential financial opportunities, threats, ongoing monitoring and/or corrective actions allowing for responsive decision making.

Consultations

N/A

Legislative Authority/Risk Considerations

N/A

Discussion/Options

The total variance to budget as of April 30, 2023 is \$13.9M favourable. This is comprised of:

- 1) A total variance for non-timing events of \$706K favourable
- 2) A total variance for timing events of \$13.2M favourable

The favourable non-timing variances are \$548K for GPL Covid funding and \$158K for Transportation (OCIF and RSIP) funding.

There is a favourable variance of \$10.2M for capital purchases related to the GPL & NCAM Redevelopment as well as an unfavourable timing variance of \$1,561K for the short-term construction financing. The Northumberland County Housing Corporation has a favourable timing variance of \$876K for the Elgin Street social housing project.

We have a favourable variance of \$1,371K for Social Services related to the timing of the rollout of various programs.

There is a favourable variance of \$1,132K for salaries, wages, and benefits because of the timing of union/merit/COLA increases, vacation, and benefits.

There is a favourable variance of \$915K for additional interest on investments and the timing of interest payments for short term debt on construction projects.

We have a favourable variance of \$389K for an NCAM grant that was received earlier than anticipated and an unfavourable variance of \$322K for our transfers to/from reserve. Both are purely timing issues.

There is an unfavourable variance of \$310K for waste revenue that is driven by lower MRF commodity prices. Bag tag revenue is also below budget by \$86K. While it is not represented in these numbers, we are expecting an additional \$300K in diversion funding that will help offset some of the waste variances if commodity prices remain low.

Financial Impact

The attached financial analysis condenses at a high level the financials results and impacts year-to-date as at April 30, 2023. Finance staff allocate the annual budget to each month of the year based on estimated timing of events capturing cyclical fluctuations for operational items typically based on prior year trends and estimated timing for capital projects; however, deviations for timing will ultimately occur based on unforeseen factors.

Member Municipality Impacts

N/A

Conclusion

N/A

Attachments

- 1) April 2023 Variance Analysis Worksheet