

Staff Report

Presented By: Daniel Waechter, Chief Financial Officer/Treasurer

Meeting Date: September 9, 2024

Subject: 2024 Quarter 2 Variance to Budget

Attachment(s): Variance to Budget June 2024

Recommendation

That Council receive the 2024 Second Quarter Variance to Budget report for information.

Report Summary

The Variance to Budget report provides Council with a forecast of the financial operating results for the Town as of June 2024. The actual net income through the second quarter of the year is \$15.4 million and the year-to-date variance to budget is forecasted to have a lower net income of \$0.2 million

Background/Analysis

The Town reports on its variance to budget on a quarterly basis each year. This regular reporting forms a part of the Council's visibility to the financial operations and supports increased capacity for decision-making for the organization. Attached to this report is the Variance to Budget Report for June 2024.

As seen in the attachment, the actual net income (excluding amortization) through the first quarter of the year is \$15.4 million comprised of revenue of \$29.9 million, salaries and benefits of \$8.2 million, and expenses of \$6.3 million.

Revenue is below budget by 0.2 million (0.6%). Specifically, Building permit revenue is 0.2 million below budget and may continue to fall below budget for the remainder of the year. Revenue included in the 2024 Business Plan for building was calculated through past averages, and revenue is not expected to reach the same level as recent years due to a slowdown in building activity. This unfavourable variance in Building revenue is solely attributed to the Building Reserve Fund, which has significant reserves in place. Revenue in tax-funded areas remains on budget.

Salaries and benefit costs are \$0.2 million (1.9%) lower than budgeted due to staff vacancies.

Expenses are \$0.2 million (2.6%) higher than budgeted due to a variety of minor cost increases. Specifically, fuel and utilities are both currently above budget and expected to remain so during the remainder of the year.

Linkages

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Corporate Services Business as Usual

Financial Impacts/Source of Funding

The Accumulated Surplus is anticipated to be \$0.2 million lower than budget as a result of the second quarter variance to budget.

Prepared By: Daniel Waechter, Chief Financial Officer /Treasurer

Reviewed By: Jim Bundschuh, Director, Corporate Services

Approved By: Kara Van Myall, Chief Administrative Officer