



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White
DATE: 22/08/2016
SUBJECT: Year to Date Report – July 31, 2016
ATTACHMENTS: YTD July 2016

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the Year to Date Budget Report from the Director of Finance for information purposes.

EXECUTIVE SUMMARY

The Township Budget was passed on May 2, 2016. The Director has been working on the development of a high level condensed Year to Date report format to provide information to Council on a timely basis. Various report formats from other municipalities have been reviewed and used as part of the template design process.

The Department Heads are responsible for reviewing their year to date budget to actual figures and discuss any significant variances with the Director. No material issues have been identified regarding operational issues to date. The main variance in overall dollars relates to the capital portion of the budget. Capital vs operating has been detailed separately and each capital project has been listed. A number of capital projects and studies are now underway and will be monitored by the Department Heads. The progress will be reported back to council in the upcoming months.

DISCUSSION

The report covers the period from January 1 to July 31, 2016 which represents a “7/12” snapshot or approximately 58% of the target spent or received. However, as discussed throughout the budget process, a large portion of the budget revenue and expenses are related to seasonal activities and have been noted in the spread sheet. The report format is as follows:

Column	Column	Column	Column	Column	Column	Column	Column	Column	Column
1	2	3	4	5	6	7	8	9	10
2016 Budget Total Revenue by Dept	Total Revenue Year to Date	% of Revenue Received	Notes relating to Revenue	2016 Budget Total Expense by Dept	Total Expenses Year to Date	% of Expenses Received	Notes relating to Expenses	2016 Net Budget By Dept = Column 5 minus Column 1	2016 Net YTD By Dept = Column 6 minus Column 2

As at January 1, 2016, invoices that are to be allocated to various cost centers are now being split at the point of entry to provide consistent monitoring throughout the year and reduce the number of journal entries at year end.

A significant project underway in 2016, is the implementation of job costing software for payroll. Staff have been working through the implementation in conjunction with the Shared Services project and will continue to make adjustments in 2016 in order to be well positioned for the 2017 budget cycle. The first phase of the software implementation was in effect for May 1st and therefore adjustments are required for the first part of the year. A number of adjustments will be required by year end for the Shared Services project.

Transfers to and from reserves which were included in the 2016 budget as part of future planning initiatives, will be reflected in the next report. However, transfers to and from reserves related to specific projects are completed in conjunction with the project completion.

Salaries and benefits included in the budget are at 55% to date which is in line with the target of 58%. Wages fluctuate by seasonal activities and allocations to various cost departments.

Energy costs also vary by season and are currently at the following %:

- Hydro – 44%
- Water/Sewer – 43%
- Natural Gas – 48%
- Propane – 27%

Overall Results	July 31/16
Operating Revenue	51.29%
Operating Expense	44.56%
Capital Revenue	2.94%
Capital Expense	16.93%
Total Revenue	34.23%
Total Expense	36.97%

FINANCIAL IMPACT

The budget will continue to be monitored and reviewed throughout the remainder of the year with any variances brought forward to council.

FUTURE CONSIDERATIONS

The full line by line Budget to Actual report generated by the Keystone software package is available. Please contact the Director if you wish to receive a copy.

RELATIONSHIP TO STRATEGIC PLAN

Goal # 4 – Our administration is fiscally responsible and strives for operational excellence.



