



Corporation of the Township of Brock

Staff Report to the Mayor and Members of Council

From: Trena DeBruijn
Position: Director of Finance/Treasurer
Title / Subject: Operating Results – Actual to Budget – March 2025
Date of Report: May 14, 2025
Date of Meeting: May 26, 2025
Report No: 2025-FI-018

1.0 Issue / Origin

This report is provided to Council with details of the actual operating revenue and operating expenditures by departments, for the period from January 1, 2025 to March 31, 2025. Information for the same period of 2024 and the annual 2024 budget are included for comparison.

2.0 Background

This report provides a comparison of actual operating results to expected budget results, as of March 31, 2025.

Department heads use the approved operating budget to deliver services and programs to residents and to maintain the Township's assets. It is important for the Township to monitor and analyze the performance of actual operating results to the approved budgets, to:

- See how departments are performing against budget and understand how planned operations and programming differ from budget;
- Identify cost overruns, operating issues and revenue shortfalls;
- Identify opportunities for budget reallocation; and
- Ensure that revenue and expenses are tracking in line with budget to ensure that variances are minimized or offset against favourable variances elsewhere.

Currently, Department Heads are provided with detailed actual to budget reports for departmental operating results on a monthly basis. This report is just for operating revenue

and expenses as capital is funded by reserves and will be handled in a separate report to Council at year-end.

3.0 Analysis

The Township is currently sitting at 19.54% of budgeted operating expenditures incurred as of March 31, 2025, and 39.14% of budgeted revenue has been received. In comparison, expenditures incurred for the same period of 2024 were 16.6%, while revenue was 19.97%

Generally, if operating expenses and revenue were earned/incurred evenly throughout the entire year, one would expect to see actual operating results as a percentage of the budget to be in the range of 25%, at this point in the year. However, the Township offers a number of services and programs whose revenue and expenses are incurred at various times throughout the year and therefore, the “% of budget range” can vary throughout the year.

Revenue

Total Operating Expenses/Operating Revenue (excluding Library and transfer to rate stabilization reserve) for 2025 are budgeted at \$14,900,347 and while a total of \$10,243,077 is funded from property taxes, the remainder of \$4,657,270 is funded as follows:

	2025 Budget \$	Revenue Recognized as of March 31, 2025	Actual as % of Budget
Taxation Revenue (PIL, Supplemental and Tax Interest/Penalties)	\$812,000	\$177,354	22%
User Fees	\$1,451,144	\$481,501	33%
Reserves	\$1,004,611	\$877,902	87%
Grants	\$942,500	\$247,174	26%
Investment Interest	\$215,015	\$39,155	18%
Ministry of Natural Resources	\$152,000	\$0	0%
Internal Transfer	\$75,000	\$0	0%
Donations/Sponsorship	\$5,000	\$0	%
Total	\$4,657,270	\$1,823,086	39%

Revenue does not always flow equally on a monthly basis and reserve revenue transfers are posted as expenses are incurred.

To date, overall, 39% of budgeted revenue has been received and recognized as of March 31, 2025.

Departmental Comments

Taxation

No concerns to note for the taxation department. Revenue is tracking as expected and similar to prior year at 21.84% in 2025, compared with 21% in 2024.

Corporate

No concerns to note for the Corporate Department.

Revenue is tracking at 27.96% of budget and expenses at 1.98%, in comparison with 17.47% and 4.47%, respectively, in 2024. Revenue year-to-date is slightly higher than 2024 due to the collection of greater than expected tile drainage payments which will be paid out later in the year. Further, administration fees of approximately 67% of projected 2025 budget have been collected year-to-date (primarily from various finance charge revenue and NSF cheque fees).

CAO and HR

No concerns to note for the CAO Department. Expenses approximate 18.86% of 2025 budget, in comparison with 23.08% in 2024. There is no non-taxation in the CAO and HR budget to be recognized in 2025.

IT

No significant concerns to note for the IT Department, to-date. Expenses approximate 60.09% of budget to-date for 2025 (versus 51.34% in 2024), The IT subscriptions expense is currently at approximately 78.17% of budget (versus 72.49% of budget in 2024), however, the majority of IT subscription expenses are paid upfront in the year.

Further, telephone expenses are approximately 35.10% of budget to-date for 2025 (versus 33.57% in 2024), however, there was a small unexpected charge incurred to add voicemail to a Public Works line that supports winter operations.

Treasury

No significant concerns to note for the Treasury Department. While overall revenue is currently at 45.43% of 2025 budget, a large portion of budgeted revenue (\$105,000) is from reserve transfers and these have been recorded for 2025 (whereas, they had not been recorded for Q1 in 2024 at this point in time). Expenses are tracking at 19.25% of 2025 budget, year-to-date, in comparison with 18.01% in 2024).

Staff have noted that bank service charges are trending higher than anticipated, due to a continued dedicated effort to use the recreation software that the Township owns to process

and collect payments. The recreation software was not being fully utilized in prior years and therefore, the prior year expenses were artificially low. Staff will need to monitor and assess this account further for budget 2026 (the budget was increased from \$11,000 to \$12,000 in 2025 but it appears that final expenses approximated \$19,000 in 2024). By using the software as projected and as required for a couple of years, staff will have a more accurate reflection of costs to include in upcoming budgets.

Tax Department professional memberships are at 52.24% of 2025 budget, however, memberships are typically paid upfront for the year and should meet budget for year-end.

Council

No concerns to note for the Council Department. Revenue is at 30.73% of 2025 budget and expense are at 16.84% (compared with 17.57% in 2024).

Council other expenses are sitting currently at 48.24% of budget for 2025, however, this is primarily due to a donation made to the Beaverton Thorah Eldon Historical Society in 2025 and should meet budget at year-end.

Further, Council conferences/education is currently at 30.43% of budget, however, conferences attended typically occur in the 1st and 3rd quarters so the expenses should meet budget for year-end.

Clerks and Cemeteries

No significant concerns to note for the Clerks Department. Revenue is at 40.29% of budget for 2025 (in comparison with 59.22% in 2024, however, reserve transfers were posted by this period in 2024 and have not been done yet for 2025) and expenses are 18.55% of budget for 2025 (in comparison with 25.76% in 2024).

In reviewing the accounts as of March 31, 2025, it is noted that clerk election costs are at budget for 2025, however, this is to be expected as there is one payment per year from this account and that payment has been made for 2025. Further, clerk memberships are at 61.44% of budget for 2025, however, most memberships are paid upfront for the year so this account should meet budget for year-end.

Protection

No significant concerns to note for the Animal Services and By-Law Department.

Revenue is currently at 72.69% of budget for 2025 (in comparison with 32.12% in 2024), however, there have been increased revenues for wildlife damage claims (which will be subsequently paid out to farms), increased adoption fees and increased dog tag sales. Further, the transfer from reserve to support sick and injured animals has been completed for 2025 and this transfer was not done till later in the year in 2024.

Expenses are currently at approximately 27.16% of 2025 budget in comparison with 20.7% in 2024. Mileage for 2025 is at 32.84% of budget for 2025, which is due to staff using personal vehicles while both Township vehicles required repairs and servicing.

Cleaning supplies are currently at 42.09% of budget for 2025 (in comparison with 25.12% in 2024) and staff understand that certain cleaning products, especially veterinary cleaning products, are increasing and are affecting budget. Further, there was an outbreak in Canine and Feline disease experienced earlier in the year and a special (expensive) product was required to be purchased. Staff are working to find some lower cost alternatives, however, it is anticipated that this line may be overbudget for year-end.

Traffic Control (School Crossing Guards)

No concerns to note for the Traffic Control Department. Expenses are currently at 22.35% of budget (in comparison with 12.47% in 2024), however, expenses have been decreased in the 2025 budget to align with 2024 actual, therefore, the YTD % will show higher than 2024.

Planning

No concerns to note for the Planning Department. While revenue is currently at approximately 9.13% of budget for 2025 (in comparison with 21.38%) is 2024, this is due to reduced planning fees YTD than 2024. Planning applications and associated planning revenues are not typically received evenly throughout the year. It is worth noting that planning fee revenue has increased in April 2025, however, this is not reflected in this report (as report is as of March 2025).

Expenses incurred YTD 2025 are in line with expenses incurred for the same period of 2024.

Building

No significant concerns to note within the Building Department. Revenue is at 24.97% of 2025 budget (versus 10.65% in 2024) and expenses are at 27.51% (versus 28.73% in 2024). Revenue is higher overall in 2025 (versus 2024) as a result of reserve transfers performed in Q1 2025 (that were not done till later in the year in 2024).

Building Permit Revenue is down from YTD 2024 and staff note that revenue is dependent on the overall market and construction levels (which are affected province wide) and are not received consistently throughout the year (these items are for the most part, out of the Township's control).

Fire

No concerns to note for the Fire Department. Revenue is high YTD as reserve transfers have been done in Q1 and were not done until later in the year in 2024.

While expenses seem to be very low it should be noted that first quarter payroll for volunteer firefighters had not yet been paid as of March 31, 2025.

Fire protective clothing is at 93% of budget for 2025, however, large purchases for the year have been completed and this line should be sufficient for the balance of the year.

Fire Agreement expenses are tracking at 60% YTD for 2025, however, retainer payments for the year have been paid in advance and should average out by year-end.

Parks and Recreation, Public Buildings and Property and Health Services

No significant concerns to note for the Parks Department. Revenue is tracking well YTD and expenses are in line as anticipated. Revenue is currently at 52.54% YTD 2025 (versus 44.62% in 2024) and expenses are at 21.49% YTD (versus 13.23% in 2024).

A number of expenses for heating are higher than expected YTD, however, these expenses may average out over the remainder of the year.

Due to the heavy winter, there have been significant repairs to Public Buildings and Arenas required (for example – Foster Hewitt Arena, Cannington Curling Club, Beaverton Thorah Health Centre, Sunderland Historical Building). The Director of Parks, Recreation & Facilities has addressed these issues recently in a report to Council. Further, there have been increasing snow and ice removal expenses incurred to maintain safety of the building and all visitors.

Public Works – Roads

The Public Works Department is currently at 12.87% of overall 2025 budget (revenue is at 60.24% and expenses at 17.9%), however, there have been significant costs incurred this winter for snow clearing operations as well as a result of the emergency winter event.

The Township is working on a claim to the Province to assist with costs incurred as a result of the winter event and a separate report will be coming to Council at a later time as costs have been compiled. This report will also include recommendations on interim financing for this emergency winter event.

Staff would like to bring to Council's attention that the overall winter control budget is at approximately 80% of budget for 2025 and there are still a minimum of two months remaining which may affect these line items further. Our plowing and sanding budgets are over budget and our materials expense are at approximately 60% of 2025 budget. It is anticipated that

these line items will be further over budget in 2025 and may require a draw from the Winter Control Reserve to assist.

Public Works – Other Transportation

No significant concerns to note for the Public Works – Other Transportation Department. Revenue is at 100% as this represents a reserve transfer completed in Q1 for 2025.

Parking lot maintenance is at 23.89% of YTD Budget for 2025 so staff are optimistic that this expense will not exceed budget for 2025

Refuse

No concerns to note for the Refuse Department.

4.0 Related Policies / Procedures

This report compares the actual operating revenue and expenses against the Council approved budget for 2025.

5.0 Financial / Budget Assessment

The Township is currently sitting at 19.54% of budgeted operating expenditures incurred as of March 31, 2025, and 39.14% of budgeted revenue has been received.

5.1 Asset Management

Ongoing maintenance expenses are included in the annual budget in order to maintain capital assets.

6.0 Climate Change Impacts

N/A

7.0 Communications

N/A

8.0 Conclusion

Variance analysis between actual and budget, as well as current actual to prior year actual, allows for better planning, monitoring, evaluating and cost control.

9.0 Recommendation

It is recommended that report 2025-FI-018 be received for information.

