

Variance Analysis Summary
Appendix 1
As of September 30, 2025

Revenues and expenditures have been reviewed by all Township departments to ensure they accurately reflect their operations to date and that any significant variances are identified and explained. This summary report is intended to outline key variances in the areas of revenue and expenditures as well as to provide information regarding the 2025 capital and operating supplemental items.

Overall, total revenue and expenditures are in line with the approved budget and, while it currently appears that the Township will report a significant surplus, a much smaller surplus is anticipated at year end. The financial results will continue to be monitored by all departments as the year progresses. While there are no significant concerns with the financial results to date, there are some specific areas which staff have identified.

Revenues

- Revenue related to development, building and development variance permits appears to be higher than budget for the year. While a positive variance of \$123,000 is currently shown, this is due to when permit revenue is being recorded rather than a significant increase in development revenue. It is anticipated that this variance will be reduced when accounting adjustments are made to reflect the proper timing of permit revenue.
- Investment incomes are earned on the various reserves and debt proceeds held for use by the Township. With a reduction in interest rates and the ongoing disbursement of public safety building costs, the Township has received less investment income than anticipated. While a significant amount of revenue will be received prior to December 31, it is expected that a negative variance of approximately \$500,000 will exist at year end.
- The timing of conditional government transfers related to casino revenue, Canada Community Building Funds (CCBF), and other provincial and federal grants has resulted in the current positive variance of approximately \$640,000. With the anticipated receipt of casino payments and the initial CCBF payment under the new 10 year agreement, as well as the recognition of revenue related to funding climate and housing capacity project costs, this variance will be significantly reduced and revenue at year end will closely align with the budgeted amount.
- Accumulated surplus and other reserve amounts have been budgeted to fund capital projects, including the public safety building. A \$9,500,000 variance exists with the transfer account due to capital projects which have not been fully expended, however a similar variance exists with the reserve account transfers. As projects are completed and costs are incurred, both variances will be reduced.

- Revenue is generated through work performed on behalf of developers and other third parties. This account includes revenue recorded for projects that have been fully completed as well as those for which deposits have been received in anticipation of future work. Currently, a significant positive variance exists between the revenue and related expenditures, however this variance is expected to be reduced as more project costs are recognized prior to the year-end close.

Expenses

- As Public Works staff perform work for third parties and various areas within the Township, accurately budgeting their time can sometimes be a challenge. For the year to date, wages and benefits applied to areas such as municipal hall maintenance, snow and ice removal garbage and waste collection are in excess of the budgeted amounts.
- The approved 2025 budget includes supplemental and prior year operational requests which have not yet been concluded and, in some instances, have no expenditures to date. Projects such as the facilities and storm master plans, the pump station design, the development capacity assessment, and affordable housing report represent a total combined budget of \$860,000 and these unspent amounts contribute to the appearance of a more significant surplus.

Supplemental Operating and Capital Projects

Appendices 3 and 4 to this report illustrate the supplemental operating and capital items approved in the 2025 budget. In addition to showing the financial status of capital projects in relation to budget, this report also includes a color coded status update for each project to facilitate easier review. The three update categories are: “Complete” (shown in green); “In Progress” (yellow); and “Not Started” (red). For those projects that are not yet started, further comments are provided where possible.