

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Ian D. Davey, BBA CPA CA Treasurer / Director of Corporate Services	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	July 11, 2022		
Report No.:	Corporate Services-175-22		
Submit comments to Council			

Subject/Title: Northam Industrial Park – First Quarter 2022 Financial Report

RECOMMENDATION:

THAT Council receive the First Quarter 2022 Northam Industrial Park Financial Report for information purposes.

1. STRATEGIC PLAN

N/A

2. PUBLIC ENGAGEMENT

N/A

3. PURPOSE

The purpose of this report is to provide Council with the financial results of the first quarter of 2022.

4. ORIGIN AND LEGISLATION

This report covers the period from January 1, 2022 through to March 31, 2022 and is intended for information purposes.

5. BACKGROUND

The Town of Cobourg purchased Northam Industrial park from the Ontario Realty Corporation on March 4, 2003. The original purchase was financed 100% by way of a loan from the Royal Bank of Canada. This loan was paid in full as of March 4, 2018 after 15 years of ownership. The loan was repaid entirely from the revenue generated by the park without the use of tax dollars.

In addition, the revenue from Northam has been used to provide financial assistance to many municipal projects over the years. In the nineteen years of ownership \$16,421,905 has been invested back into the infrastructure of the park and \$8,772,305 has been used to support Town of Cobourg operating and capital projects. These amounts are in addition to the repayment in full of the original mortgage in the amount of \$13,330,027.

6. ANALYSIS

The attached report is unaudited and has been prepared internally from information provided by the park management group and consists of three pages as follows:

Balance Sheet

The asset section is split between current assets of \$6,573,046 and fixed or capital assets of \$17,015,727. The bank balance includes an operating balance of \$3,829,335 and a capital reserve fund of \$2,500,000.

The liabilities as of March 31, 2022 were \$323,314 compared to \$642,219 as at December 31, 2021.

The book value of the equity in the park is \$23,265,459 as of March 31, 2022. This value is based on historical accounting results during the period of ownership by the municipality and is not a reflection on the current fair market value for this property.

Income Statement

The income statement is presented in four columns including 2020 and 2021 actual results for the full year and the 2022 actual results to March 31, 2022 along with the budget for the 2022 fiscal year.

Operating revenues for the first three months of 2022 are slightly ahead of expected budget at 25.36% of the total budgeted revenue for the year. Vacancies

within the park continue to remain at low levels with no changes expected throughout the remainder of 2022.

Operating and administrative expenses are also tracking within budget for the first three months of the year.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The 2022 Town of Cobourg Operating and Capital budgets included the amounts of \$1,385,300 and \$166,764 respectively to be funded from Northam Industrial Park operations. This financial report indicates that this remains a realistic commitment.

8. CONCLUSION

This report has been provided to Council and Members of the Public for information purposes.

If there are any specific questions on any of this information, I would be pleased to provide an answer to them.