

## **2023 FINANCIAL OPERATING RESULTS WITH VARIANCE**

### **Issue**

The 2023 Financial Operating Results with Variance report is provided to Council as recommended by the Finance and Audit Committee.

### **Motion Proposed by Administration**

That upon approval of the 2023 Audited Financial Statements the \$1.145 Million surplus be transferred to Operating General Reserves, as recommended by the Finance and Audit Committee.

That the 2023 Operating Projects report including the \$1.006 Million of budget remaining be relinquished back, as recommended by the Finance and Audit Committee.

That the 2023 Capital Completed and Continuing Projects report including a reduction of \$4.864 Million for a net total of \$37.882 Million of budget remaining which is tied to these capital projects in progress at year end be approved and that the amounts carried forward be added to the 2024 Capital budget, as recommended by the Finance and Audit Committee.

### **Report, Analysis and Financial Implications**

#### Variance to Budget

Actual revenues compared to the budgeted revenues are \$6.652 Million higher than budget because of higher sales and user fees of \$5.575 Million, along with municipal taxes of \$0.157 Million, and higher grant revenue of \$0.919 Million.

Overall operating actual expenditures compared to the budgeted expenditures are \$6.652 Million higher than budget due to operating expenses reductions of \$1.081 Million, offset by higher reserve contributions of \$ 7.733 Million.

Utilities contributes to corporate administrative overhead with \$1.936 Million for 2023 lower than budget by \$0.544 Million.

Capital expenditures were lower by \$42.747 Million due to the relinquishment of \$4.864 Million and carry forward of \$37.882 Million.

#### Variance to Prior Year

Actual revenues compared to the prior year revenues are \$9.635 Million higher than the prior year because of higher sales and user fees of \$5.827 Million and municipal taxes of \$3.282 Million and higher grants of \$0.527 Million.

Overall operating actual expenditures are \$9.635 higher than the prior year because of higher expenses of \$8.029 Million and reserve contributions of \$1.606 Million.

Utilities contributes to corporate administrative overhead increased by \$0.096 Million from prior year.

Capital Expenditures are lower by \$2.186 Million and Operating Projects are lower by \$0.211 Million.

#### Other Information

The Operating Projects report is presented for the purpose of:

- Reporting of approved Operating projects;
- To relinquish remaining budget.

The Capital Projects Completed and Continuing Projects report is presented annually for the purpose of:

- Reporting on the progress of approved Capital projects; and
- Acknowledging the ongoing financial commitment to “continuing” projects.

The 2023 Year End Variance Report (attached) lists all approved capital projects that were underway in 2023, with a summary for both completed, cancelled, and continuing projects. This report identifies the 2023 Budget and 2023 Actual Expenditures for each capital project.

For completed projects, the remaining allocations are relinquished. For continuing projects, as per the Capital Project Deferral and Carry Forward Policy GP-F-2.4, the remaining projects have been classified according to guidelines established and the allocation is expected to be spent in 2024 to complete the projects as identified.

The Operating and Capital Reserve report provides the details on the Total Reserves compared to last year.

The Finance and Audit Committee reviewed this item at their March 20, 2024 meeting and provided support for the proposed motions.

#### **Strategic Plan Goals**

<input type="checkbox"/>	Responsibly Managed Growth	<input type="checkbox"/>	Demonstrated Environmental Leadership
<input checked="" type="checkbox"/>	Strong Local Economy		
<input checked="" type="checkbox"/>	Organizational Excellence	<input type="checkbox"/>	Enhanced Culture & Community Health

#### **Equity/Diversity/Inclusivity Impacts and Strategy**

n/a

**Environmental Impacts**

n/a

**Governing Policies/Bylaws/Legislation or Agreements**

n/a

**Public Participation Strategy**

n/a

**Alternatives for Consideration**

n/a

**CAO Comments**

The forecasted surplus is in alignment with the amounts forecasted in Q3. These are positive results for the organization and its ratepayers. Overall the Town has been able to maintain the forecasted tax rate, operate within expected levels with limited variance ensuring continued service delivery to residents within the approved operating framework. Capital project delivery has been impacted by availability of goods and supplies. The forecasted surplus variance is consistent with anticipated amounts considered in the 2024 budget debate.

**Attachment(s)**

1. 2023 Year End Variance Report

Prepared by:  
Ralph Ettenauer  
Chief Financial Officer  
March 20, 2024