

Staff Report

Presented By: Jim Bundschuh, Director of Corporate Services
Meeting Date: June 9, 2025
Subject: 2024 Preliminary Operating Financials
Attachment(s): 2024 Operating Results

Recommendation

That Council receive the 2024 Preliminary Operating Financials report for information.

Report Summary

The Town's 2024 Operating results show a total surplus of \$13.8 million. \$5.6 million is attributable to the Tax Stabilization Reserve and the remaining \$8.2 million is attributable to other reserves, predominately the Water and Wastewater reserves.

Background/Analysis

The Town is preparing for the 2024 financial audit and have performed preliminary analysis to determine the expected surplus for 2024. The attached summary shows the preliminary net results by department. As seen in the attachment, the actual net income (excluding debt, amortization, and allocations) for the year is \$13.8 million comprised of revenue of \$46.3 million, salaries and benefits of \$18.7 million, and expenses of \$13.8 million. The attached summary does not include approximately \$2 million in additional interest attributed to discretionary and obligatory reserve funds. The interest attributable to reserve funds protects the purchasing power of the Town's reserves from the impact of inflation.

Revenue is \$0.4 million (1%) higher than budgeted.

- Bank interest and investment income is \$0.2 million higher than budgeted.
- Supplemental taxation revenue is \$0.3 million higher than budgeted.
- Building permit revenue is \$0.3 million lower than budgeted.
- Land sale revenue is \$0.4 million lower than budgeted due to the timing of Innovation Park sales.
- Water and sewer revenue is \$0.2 million higher than budgeted. Capital charges were the reason for the variance, as usage charges were in line with budget and are not increasing at the same rate as total users.

- Pool revenue was \$0.1 million higher than budgeted, largely due to increased summer camp offerings and programming.
- Other revenue across the organization was \$0.3 million higher than budgeted.

Salaries and benefit costs are on budget. Minor variances from vacancies are spread throughout the various departments as a result of some existing positions being vacant for part of the year and new positions being filled later than anticipated, offset by lower than budgeted allocations for capital wage recoveries.

Expenses are \$0.4 million (2%) lower than budgeted, with expenses being lower than expected throughout various budget lines and departments.

- Doctor incentive payments were \$0.1 million lower than budgeted due to the uneven nature of incentive payments.
- OCWA contract costs were \$0.2 million higher than budgeted.
- Police Services expenses were \$0.2 million lower than budgeted.
- AWC implementation costs were \$0.1 million lower than budgeted.
- Other expenses across the organization were \$0.2 million lower than budgeted.

Linkages

- Strategic Plan Alignment: Pillar 3: Building Valued Relationships
- Business Plan Alignment: Corporate Services Division Highlight

Financial Impacts/Source of Funding

An improvement in the Accumulated Surplus of \$13.8 million is anticipated based on the preliminary operating financials.

Prepared By: Dan Waechter, CFO/Treasurer

Reviewed By: Jim Bundschuh, Director of Corporate Services

Approved By: Kara Van Myall, Chief Administrative Officer