



Staff Report

Finance – Budgets & Accounting

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: June 5, 2023
Report Number: FAF.23.025
Title: Year-End Financial Update
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting & Budgets

A. Recommendations

THAT Council receive Staff Report FAF.23.025, entitled “Year-End Financial Update”;

AND THAT Council fund the 2022 Taxation deficit of \$531,685 from the Working Capital Reserve;

AND THAT Council fund the 2022 Water deficit of \$71,759 from the Water Rate Stabilization Reserve;

AND THAT Council approve the transfer of \$30,296 for the 2022 Wastewater surplus to the Wastewater Rate Stabilization Reserve;

AND THAT Council fund the 2022 Building deficit of \$53,133 from the Building Rate Stabilization Reserve Fund;

AND THAT Council approve the transfer of \$24,986 for the 2022 Harbour surplus to the Harbour Reserve.

B. Overview

This report gives Council and the public the final 2022 surplus/deficits for the various departments within the Town.

C. Background

Staff and the Town auditors have completed the 2022 audit and are bringing this report forward with the year-end positions for the following departments:

- Taxation
- Licensing
- Development Engineering
- Water
- Wastewater

- Harbour
- Building

The final 2022 consolidated financial statements will be presented by the auditors at the June 26, 2023, Committee of the Whole.

Using the bi-monthly financial update report as a template, staff are bringing this report forward to give a snapshot for December 31, 2022, on major expenses, revenues, and capital. Building on report FAF.22.145 “Year-end Analysis” staff are also updating the forecasted year-end positions for Taxation, Water, Wastewater, Building, Harbour, Licensing, and Development Engineering.

D. Analysis

Taxation – the Taxation Funded Departments ended 2022 with a deficit of \$531,685, this deficit is to be funded from the Working Capital Reserve. The deficit was driven by missed revenue budgets specifically Paid Parking.

Water – the Water Department ended 2022 with a deficit of \$71,759, the deficit was funded from the Water Rate Stabilization Reserve. This deficit was caused by equipment repairs and maintenance costs ending the year over-budget.

Wastewater – the Wastewater Department ended 2022 with a surplus of \$30,296 which was transferred into the Wastewater Rate Stabilization Reserve. The 2022 surplus was generated from Private Septage revenues ending the year-over budget.

Building – the Building Department ended 2022 with a deficit of \$53,133 which was due to a slowdown in permit revenues. The deficit is funded from the Building Rate Stabilization Reserve Fund. More information can be found at the [Building Year-end report, FAF.23.054](#).

Harbour – the Harbour Department ended 2022 with a surplus of \$24,986 which was transferred into the Harbour Reserve. The surplus was driven by some revenue streams, such as Fuel Sales and Transient Mooring Fees, ending the year over-budget.

Licensing – the Licensing Department ended 2022 with a surplus of \$186,597 which is held as deferred revenue and will be used to fund future Licensing costs. This is not an unexpected year-end outcome as 2022 was the busier due to more two-year licenses coming in 2022, it is not expected that 2023 will have the same year-end surplus.

Development Engineering – the Development Engineering department ended 2022 with a deficit of \$400,890, this deficit was funded from deferred revenues (Works Fees collected in previous years). Development Engineering fees, and timing of the collection of the fees are being reviewed through a Fees Review process in 2023.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

F. Environmental Impacts

None.

G. Financial Impacts

The Town holds a number of reserve and reserve funds that are used for surplus and deficits. Below is a table showing the opening and closing balance for the reserves, reserve funds, and deferred revenues included in this report.

Reserve/Reserve Fund	2022 Opening Balance	2022 Closing Balance
Working Capital	\$ 3,094,510	\$ 2,462,634
Water Rate Stabilization Reserve	\$ 902,556	\$ 789,264
Wastewater Rate Stabilization Reserve	\$ 563,566	\$ 476,448
Building Rate Stabilization Reserve Fund	\$ 2,385,669	\$ 2,340,056
Harbour Reserve	\$ 369,243	\$ 42,638
Licensing Deferred Revenues	\$ 248,021	\$ 434,619
Development Engineering Deferred Revenues	\$ 401,304	\$ 414

H. In Consultation With

None.

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets, sdinsmore@thebluemountains.ca.

J. Attached

None.

Respectfully submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting & Budgets

Ruth Prince
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For more information, please contact:
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Report Approval Details

Document Title:	FAF.23.025 Year-end Financial Update.docx
Attachments:	
Final Approval Date:	May 17, 2023

This report and all of its attachments were approved and signed as outlined below:

Ruth Prince - May 17, 2023 - 10:41 AM